

# RTO West Stage 2 Development Process Provisions and Requirements Content Group

**Working Document**  
as of March 3, 2001

## **Calendar**

|         |   |  |   |
|---------|---|--|---|
| 3/6/01  | 9:00 a.m. to Noon   | Small Group Conference<br>Call to Discuss Exemptions<br>from GIA   | (503) 230-4200                            |
| 3/21/01 | 10:00 a.m. to 5:00 p.m.<br>(PST)  | Content Group Meeting<br><br>Tentative Agenda:<br><br><ul style="list-style-type: none"> <li>✓ Check Status of<br/>Stage 2 "Scope"<br/>regarding<br/>Interconnection of<br/>Generation</li> <li>✓ Resolve Open<br/>Issues Regarding<br/>Generation<br/>Integration</li> <li>✓ Discussion<br/>Approach to Load<br/>Integration</li> </ul> | TBA                                       |
| 4/17-18 | 17 <sup>th</sup> 10:00 a.m. to 5:00<br>p.m. (PST)<br>18 <sup>th</sup> 8:00 a.m. to 3:30 p.m.<br>(PST) | Content Group Meeting<br><br>Tentative Agenda:<br>Complete work of content<br>group  | Downtown Portland<br>(exact location TBA) |

## **Assignments from 2/27 Meeting**

| Responsible Person | Task   | Status                 |
|--------------------|--|------------------------|
| Small Group        | Develop Strawdog proposal<br>regarding (1) facilities that should be<br>exempted from GIA and (2) facilities<br>that should be exempted (and scope<br>of exemption) from RTO standards   | Conference Call on 3/6 |
| Kristi Wallis      | Check with Filing Utilities'<br>principals regarding "scope" of Stage<br>2 PRRQ work (in particular with<br>respect to generation<br>interconnections); draft paper<br>memorializing PRRQ's discussion<br>regarding this issue for consideration<br>by the Filing Utilities' principals (the<br>PRRQ will be given an opportunity<br>to comment on the draft paper before<br>it is submitted to the Filing Utilities'<br>principals) |                        |
| Gerry Garnett      | Revise Interconnection Scenarios to<br>incorporate additional scenarios<br>discussed by the content group  |                        |

## Decisions/Recommendations from 2/27 Meeting

***Scope of Stage 2 Work:*** The PRRQ recommends that the Stage 2 content group develop a process and principles to guide the development of RTO interconnection standards (transmission, load, and generation), but not try to develop the interconnection standards themselves. The content group believes that the standards should be developed after the Stage 2 filing but before the RTO becomes operational.

***GIA Provisions -- “Integration” of existing generation not currently subject to an interconnection or integration agreement:*** The PRRQ concluded that although this type of generation was not contemplated when the current draft GIA was prepared, it is not necessary to make any modifications to the agreement in order to specifically address this generation.

## Possible Stage 2 Tasks

### Interconnection Standards

***2/27 Meeting: Content Group determined that work on these standards could be deferred until between the Stage 2 filing and RTO West’s commencement of operations, so long as a process and principles for development of those standards are developed in Stage 2.***

Review Stage 1 technical team’s final draft interconnection standards and related materials, identify remaining issues (if any) and production work, develop plan to finalize standards.

### Develop Interconnection Procedures

***2/27 Meeting: There is some confusion about the Stage 1 “decision” regarding who would be responsible (and/or involved) in the interconnection of new generation (this issue was raised in the Tariff Integration Group as well as in the PRRQ). The specific question is whether it was decided in Stage 1 that interconnection would be handled between PTOs and generators, with expedited RTO dispute resolution if necessary, and, if so, whether this was a collaborative Stage 1 decision or a decision made by the Filing Utilities. A request for clarification has been made to the Filing Utilities’ principals pursuant to the Stage 2 protocol. A paper summarizing the discussion of the content group regarding this issue will be presented to the Filing Utilities for their consideration. A number of the non-Filing Utility representatives have also requested that if the Filing Utilities conclude that this matter has been decided and will be governed by the current TOA provisions, that this issue be raised to the RRG for further discussion.***

See Attachment 1, Summary of the Relevant TOA Provisions (Larson – 2/26/01); Attachment 2, Proposal Regarding Outline of Generator-Related Agreements (Imparato -- 2/26/01); Attachment 3, Relevant Portions of FERC Order on Order 2000 Rehearing (3/8/00); Attachment 4, Summary of Interconnection Procedures from other RTOs/ISOs (Brookhyser – 2/22/01); Attachment 5, Stage 1 Proposed Outline of Principals for

Generation Interconnection and Other FERC-Jurisdictional Services (Imparato – 8/14/00).

Finalize Content of Generation Integration Agreement

Review Stage 1 draft Generation Integration Agreement, identify open issues and remaining production work (keeping in mind that GIA/LIA Review Group will finalize wording of agreements). *See* Attachment 6, Draft 9/6/00 Generation Integration Agreement and Attachment 7, Comments of Carl Imparato on 9/6/00 Draft GIA (9/13/00), including 2/27/01 Proposed Definition of Transmission System Emergency..

Finalize Content for Generation Provisions of Tariff

Review Stage 1 draft generation tariff provisions, identify open issues and remaining production work. *See* Attachment 8, Stage 1 Draft Generation Provisions.

Finalize Content of Load Integration Agreement

Review Stage 1 draft Load Integration Agreement, identify open issues and remaining production work (keeping in mind that GIA/LIA Review Group will finalize wording of agreements). *See* Attachment 9, 9/6/00 Draft Load Integration Agreement and Attachment 10, Comparison of Draft GIA and LIA (Wallis – 2/27/01).

Finalize Content for Load Provisions of Tariff

Review Stage 1 draft load tariff provisions, identify open issues and remaining production work. *See* Attachment 11, Stage 1 Draft Load Tariff Provisions.

## Appendix

### Attachment 1

#### TOA Interconnection Provisions (Summary)

1. Transmission Owner Generation and Loads. PTO must integrate its electric generation units, loads and other transmission and distribution facilities to the RTO West Transmission System under the standard form Generation Integration and Load Integration Agreements.
2. Pre-Existing Third Party Generation Interconnections. Third party generators interconnected with the PTO's system under pre-existing agreements may either (1) request the PTO to negotiate so as to allow replacement of the integration provisions of such agreements with an RTO West Generation Integration Agreement or (2) request the PTO to negotiate instructions, consistent with the pre-existing agreement, to govern access to the RTO West Transmission System.
  - If the parties are unable to agree on instructions under (2) above, RTO West may compel arbitration.
3. New Interconnections: The PTO must permit new physical interconnections with its electric system to serve new or existing loads or new or existing generating facilities subject only to (1) reasonable terms and conditions related to such physical interconnection; (2) receipt of necessary regulatory approvals; and (3) compliance with applicable environmental assessment, planning and reliability requirements.
  - If the interconnecting parties are unable to reach agreement within 60 days (or such extended period as may be agreed or is necessary to comply with applicable environmental requirements), RTO West may compel the PTO to participate in expedited dispute resolution. The arbitrator shall be instructed to accept the PTO's proposed interconnection agreement terms if they are either (1) (i) reasonable, (ii) not contrary to FERC requirements, (iii) do not conflict with a GIA or LIA that the interconnecting party will execute with RTO West, (iv) are not in conflict with interconnection standards adopted by RTO West and (v) are not unreasonably discriminatory or preferential with respect to the PTO's other comparable interconnection agreements or (2) are required pursuant to the interconnection standards adopted by RTO West. Arbitration decisions may be appealed to FERC.
  - The PTO's interconnection standards shall apply to the PTO's system, but RTO West may modify the PTO's standards as they apply to the PTO's RTO West *Controlled* Transmission Facilities, provided that any such modifications comply with applicable NERC and WSCC reliability and safety requirements.

- RTO West agrees to take necessary actions to protect the PTO's facilities in the event of failure of the interconnecting party to comply with any such requirements.
4. Upgrades and Expansions: In support of upgrades and expansions determined by RTO West to be needed, the PTO must, consistent with applicable law:
- Permit the installation and interconnection of such upgrades and expansions to any of its Transmission Facilities. The PTO's interconnection standards shall apply unless and until modified by RTO West with respect to the RTO West *Controlled* Transmission Facilities, provided that any such modifications comply with applicable NERC and WSCC reliability and safety requirements.
  - Cooperate with RTO West, to the extent permitted under applicable law, to obtain necessary siting and other permits and licenses, to obtain necessary rights-of-way, and with the planning and construction of the upgrade or expansion.
  - Subject to the exception below, take necessary and appropriate steps, to the extent permitted under applicable law, to exercise its eminent domain authority, take appropriate regulatory and judicial actions to condemn necessary rights-of-way and, if necessary, acquire legal ownership of such upgrades.
    - If the PTO may not exercise such eminent domain authority under applicable law, RTO West reserves its right to file a request for construction of facilities pursuant to section 211 of the Federal Power Act.
  - The PTO shall not be obligated to incur or assume any of the costs of such cooperation, exercise of eminent domain authority, regulatory or judicial actions or legal ownership except as provided in rates charged pursuant to an RTO West Tariff.
  - If the PTO fails to promptly and completely comply with its obligations with respect to upgrades or expansions, RTO West may exercise any remedy available to it including (1) petitioning FERC for an order under Sections 210 or 211 of the Federal Power Act or (2) arranging for the upgrade or expansion through a third party and assigning the costs pursuant to its rate-setting authority under the TOA and under its Tariff.

## **Attachment 2**

### **Proposal Regarding Interconnection of Generation**

#### **Proposed Outline of RTO West Generator-Related Agreements**

Carl Imparato - February 26, 2001

##### **I. Generator Agreement (“Generator Integration Agreement”)**

Generators that desire to sell energy or capacity using the RTO Grid agree to comply with the RTO Tariff. No need for additional provisions, other than “boilerplate.”

##### **II. Generation Interconnection (an Appendix to the RTO West Tariff)**

The body of the Tariff simply refers to this Appendix. There is no need for an additional “Part V” regarding so-called “Generation Interconnection and Integration Service.”

This Appendix should address, among other things, the following:

1. RTO (not PTO) is the provider of Generation Interconnection Service.
  - (a) RTO shall receive and process all interconnection service requests
  - (b) RTO shall execute interconnection study agreements
  - (c) RTO shall define interconnection standards
  - (d) RTO shall define all interconnection processes and policies and shall be responsible for implementing all policies, procedures.
  - (e) RTO is responsible for all studies: RTO shall perform, or cause other to perform, all interconnection studies.
  - (f) RTO is responsible for managing the interconnection service request queue (one queue for the entire RTO, not one queue./PTO).
  - (g) RTO shall define the scope, methodologies and assumptions used in interconnection studies. RTO is responsible for all study assumptions.
  - (h) RTO may, at its discretion (and probably will) choose to delegate performance of interconnection studies to PTOs (to act as contractors to the RTO) - but only if RTO has implemented a strict Code of Conduct to fully separate PTO grid activities from PTO market activities.

2. All technical standards are the RTO's standards - although RTO may, at its discretion, choose to use the PTOs' standards for an interim period until it develops grid-wide standards
3. All contracts, study agreements and obligations - with the possible exception of the Generator Interconnection Agreement (GIA) - including all obligations to make payments/deposits, are between the Generator and the RTO.
4. RTO's role as provider of Generation Interconnection Service includes interconnection to all of a PTO's facilities if the interconnection request involves FERC-jurisdictional-type service. This coverage includes FERC-jurisdictional interconnections to all of a PTO's facilities (T, D and facilities of the affiliated UDC), as well as to facilities of non-PTOs (through reciprocity requirements).
5. RTO shall develop a pro forma GIA which covers, among other things, the items outlined below (under GIA).
6. RTO shall execute Generator Interconnection Agreements. GIAs are trilateral RTO-Generator-PTO contracts.
7. RTO shall actively participate in the negotiation of the GIA, starting with RTO's pro forma GIA. In the event of impasse, RTO shall file its suitably-modified version of the unexecuted GIA with FERC under Section 205.
8. RTO shall ensure that interconnections to the facilities of PTOs are completed in a timely manner.
9. The Appendix must specify, among other things:
  - (a) RTO policy on upgrade requirements (who pays, credits for system benefits, etc.)
  - (b) Standards for allocation of interconnection-related costs and study costs when there are multiple beneficiaries
  - (c) Customer has the rights to study results, the right to participate in studies, rights to all relevant data, right to question the scope of study, study assumptions and costs
  - (d) Queuing processes for interconnection studies
  - (e) Requirements for maintaining standing in the queue (request procedures, payments, milestones...), deadlines for Generator responses and PTO responses, changes to project during the study process
  - (f) Data requirements
  - (g) How RTO will incorporate the projects already in PTO queues prior to the RTO formation date

(h) PTOs/affiliates projects are subject to the identical rules and procedures

(i) PTOs must comply with RTO Code of Conduct

(j) ADR process (fast, mandatory and binding)

10. Upon withdrawal from the RTO, the PTO shall honor the RTO's queues and procedures, and existing GIAs.

### **III. RTO West (pro forma) Generator Interconnection Agreement (GIA)**

GIA includes:

- Binding commitments to costs and schedules
- Liquidated damages for unreasonable non-compliance
- Rights to modify the project
- Rights to inspect facilities
- Liability and indemnification
- Confidentiality

See EPSA Model Interconnection Agreement (with deletions for provisions covered in RTO Tariff).

### **IV. RTO West Generator Interconnection Technical Standards**

[CFI - RTOWest-GenRqmts.rtf]



### **Attachment 3**

#### **Relevant Provisions of FERC Order on Order 2000 Rehearing**

We disagree with SoCal Edison's point that RTOs can exercise no authority over interconnections because that authority resides only with the Commission under sections 202 and 210 of the FPA. An interconnection obligation is an element of transmission service and is already required to be provided under our *pro form* tariff that will be administered by the RTO. As EPSA notes, this is true, whether the interconnection request is tendered concurrently with a request for transmission service or in advance of a request for a specific transmission service. It is therefore appropriate for the RTO to be the entity that reviews and approves interconnection requests. However, we agree with SoCal Edison that transmission owners must remain an integral part of the interconnection process. We also agree with Dynegy that new generators should not have to negotiate separately with the RTO and individual transmission owners. We expect one-stop shopping under any RTO. Finally, we agree with EEI that the RTO's authority over new interconnections does not suggest that entities incurring costs to provide those interconnection will not be compensated.

*(Footnotes omitted.)*

## **Attachment 4**

### **Summary of Interconnection Procedures from Other RTOs/ISOs (Brookhyser – 2/22/01)**

This document contains information about interconnection procedures from the California ISO and Desert STAR. ERCOT did not have a formal tariff for interconnection, but a lengthy whitepaper on its website, describing the procedure for application and any required studies.

The tariff provisions for GridFlorida and Alliance RTOs were in .pdf format so they could not be transposed to another document. I have copies I will bring to the group meeting.

#### **1. California ISO, Sec. 5.7 of Tariff:**

##### Interconnection to the ISO Controlled Grid. Submitting Requests to Interconnect.

Any existing or prospective Generator that requests interconnection to the ISO Controlled Grid shall submit a request to interconnect to the Participating TO or UDC that will supply the interconnection and shall copy such request to the ISO. The Participating TO shall coordinate all aspects of the interconnection requests pursuant to the TO Tariff and the TCA. An existing or prospective Generator shall not be entitled to have its interconnection to the ISO Controlled Grid energized unless and until it has demonstrated to the ISO's reasonable satisfaction that it has complied with or is capable of complying with all of the requirements of this Section 5.

##### Generating Unit Interconnection.

The interconnection standards and agreements of the interconnecting Participating TO or UDC, which are available upon request, shall govern the interconnection of additional Generating Units including the costs of such interconnection. Protocols and standards developed and adopted by the ISO may supersede, where appropriate, protocols and standards specific to the Participating TO or UDC.

##### Coordination of Critical Protective Systems.

Generators shall coordinate with the ISO, Participating TOs and UDCs to ensure that ISO Controlled Grid Critical Protective Systems, including relay systems, are installed and maintained in order to function on a coordinated and complementary basis with Generator's, Participating TO's and UDC's protective systems.

#### **2. ERCOT: lengthy whitepaper**

#### **3. Desert STAR:**

Tariff has provisions in Sec. 10, referencing Appendix Q for interconnection procedures, and providing for coordination between the TO and DSTAR.

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Attachment Q-1: Interconnection/Generating Unit Data Requirements

## **Attachment 5**

### **Stage 1 Proposal Regarding Generation Interconnection**

#### **NWRTTO: Outline of Principles for Generation Interconnection and Other FERC-Jurisdictional Services**

[Carl Imperato - Draft #1 - August 14, 2000]

The RTO Tariff needs to ensure that the RTO provides mechanisms through which Eligible Customers may obtain all FERC-jurisdictional services that are currently available under the Order 888 and the FPA, including generation interconnection, over the transmission and distribution systems of PTOs.

There is not sufficient time - between now and October 15 - to address in detail the many important issues that need to be fleshed out in the RTO Tariff. Therefore, we propose the following principles for incorporation in the October 15 draft.

1. All requests for any FERC-jurisdictional services will be handled by the RTO.
  - Most requests for transmission service can be processed through the routine transmission access and congestion management provisions specified in the RTO Tariff.
  - All other requests for FERC-jurisdictional services will be handled by requiring that the Eligible Customer's request be submitted to the RTO, which will forward the request to the PTO for analysis (through the planning procedures that will be specified in the RTO Tariff) if the request either (i) requires the use of distribution facilities or (ii) the potential upgrading of transmission or distribution facilities.
2. The RTO will allow the Eligible Customer and the PTO to handle the mechanics of the study process (in accordance with study procedures and timelines that will be specified in the RTO Tariff).
  - However, the RTO will also be allowed to monitor the process and may participate directly in the process at the request of either party.
3. The RTO will include a comprehensive generation interconnection policy in the RTO Tariff. The policy will address, among other things, the procedures and timelines for studies, rules for determining the types of network upgrades for which the new generator will be responsible, and rules for determining how system benefits associated with new generator interconnections will be determined and allocated.
4. Should a dispute arise, the dispute resolution procedures in the RTO Tariff would be relied upon.
  - Under those procedures, parties could voluntarily agree to mediation. But at either party's request, the RTO's mandatory arbitration process would be initiated.

Although arbitration would be mandatory, the results would be binding only if both parties stipulated to that at the start of the process. Otherwise, only the factual record established by the arbitration would be given substantial deference and the parties would bring the resulting arbitrator's opinion to FERC, which would grant whatever deference it chose to grant. The RTO would be entitled to participate in both the arbitration process and in any subsequent FERC proceeding.

**Other FERC-Jurisdictional Services** (First Draft of Possible Interim Tariff Language)

- a) All requests for FERC-jurisdictional services shall be submitted to the RTO. If granting the request for such a FERC-jurisdictional service would not require the use of a PTO's distribution facilities and would not require the expansion of a PTO's transmission or distribution facilities, the RTO shall respond to the request.
- b) If granting a request for such a FERC-jurisdictional service might require the use of a PTO's distribution facilities or the possible expansion of a PTO's transmission or distribution facilities, the RTO shall immediately forward the request to the appropriate PTO. The PTO shall respond to such a request pursuant to Sections XXX of the RTO Tariff. The procedures specified in Sections XXX of the RTO Tariff shall be construed to apply to the modification of a PTO's distribution facilities as well as its transmission facilities.
- c) The RTO shall have the right to monitor the PTO's treatment of a request that has been forwarded by the RTO to the PTO, and the PTO shall cooperate with the RTO's reasonable requests in furtherance of this monitoring role.
- d) If an applicant believes that a request that has been forwarded to a PTO is not being treated expeditiously, justly or reasonably by the PTO, the RTO shall have the right to investigate and participate in the PTO's process for responding to the request and to participate in any dispute resolution process or regulatory or judicial proceeding related thereto.
- e) Should a dispute arise under this Section, the parties to the dispute may mutually agree to dispute resolution procedures specified in Section YYY of the RTO Tariff. It is the intent of the RTO Tariff that: (i) any party to the dispute may appeal the arbitrator's decision to the Commission; (ii) in the case of such an appeal, only the factual record established through the arbitration procedure be afforded substantial deference by the Commission; and (iii) the arbitrator's decision be afforded whatever deference as the Commission deems to be appropriate. The RTO shall be deemed to have standing to participate, at its discretion, in such an arbitration process and/or any subsequent FERC proceeding.
- f) A Generating Unit or load which is not interconnected to the Grid as of the RTO Operations Date must satisfy the requirements specified in its interconnection agreement with the appropriate PTO prior to obtaining transmission access. *[Add language stating that the requirements for interconnection as of the RTO Operations Date shall be those specified in the RTO Tariff.]* The interconnection agreement shall specify technical requirements for interconnection and operation, and the Generating Unit's or load's obligation, if any, to pay for an appropriate share of the cost of those transmission and distribution system upgrades that may be required to address the reliability and local congestion impacts that would be created by the new Generating Unit or load. Upon satisfaction of these requirements and obligations, the new Generating Unit or load may secure transmission access in accordance with the RTO Tariff.
- h) The RTO Tariff shall include comprehensive policies for interconnection and for system expansion. Such policies shall be consistent with the Federal Power Act and Commission policies and shall at a minimum specify policies and procedures for: determining a requesting party's appropriate share of the cost of any required transmission additions or upgrades, appropriate credits to be provided to a requesting party for any system benefits created by such transmission additions or upgrades,

and systematic evaluation and comparison of transmission expansion and generation and demand-side alternatives to transmission expansion.

[NWRTO-interconnection-081400.rtf]



**Attachment 6**

**9/6/00 Draft of Generation Integration Agreement  
(GIA/LIA Legal Subgroup/Dennison-Leonard)**

**SEPTEMBER 6, 2000 DISCUSSION DRAFT**

RTO West Generation Integration Agreement  
between  
RTO West and \_\_\_\_\_

**CLEAN REVISED DRAFT**  
**September 6, 2000**

# **RTO WEST GENERATION INTEGRATION AGREEMENT**

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*[To be added later]*

## **RTO WEST GENERATION INTEGRATION AGREEMENT**

This Agreement, dated as of \_\_\_\_\_, is by and between RTO West, a Washington non-profit corporation, and \_\_\_\_\_, \_\_\_\_\_ (“the Generating Party”). RTO West and the Generating Party each shall be referred to as a “Party” and collectively shall be referred to as the “Parties.”

### **RECITALS**

#### **WHEREAS:**

**A.** RTO West is a Regional Transmission Organization that has been approved by FERC and that provides Transmission Services throughout a multi-state region; and

**B.** RTO West is responsible for providing such services in a reliable manner consistent with Good Utility Practice, applicable NERC and WSCC operating criteria and applicable requirements of regulatory agencies with authority over such operations; and

**C.** The Generating Party currently has Generation Facilities operating within RTO West’s metered Control Area boundaries, or desires to operate Generation Facilities within the RTO West’s metered Control Area boundaries; and

**D.** Control over the operation of Generation Facilities operating within RTO West’s metered Control Area boundaries as provided herein is necessary for RTO West to meet its responsibilities to provide safe and reliable Transmission Services; and

**E.** This Agreement establishes various requirements for the capabilities and operation of the Generating Party’s Generation Facilities operating within RTO West’s metered Control Area boundaries, as well as RTO West’s obligations with respect to them; and

**F.** Such requirements are established to provide for reliable operation of the RTO West Transmission System and the Generating Party’s Electric System.

NOW, THEREFORE, in consideration of the mutual benefits to the Parties and the benefits set forth in the recitals above, the Parties agree as follows:

### **AGREEMENT**

**1. Definitions.** For purposes of this Agreement, capitalized terms not defined elsewhere in this Agreement shall have the definitions specified on Exhibit A to this Agreement.

## **2. Effective Date; Term and Termination.**

2.1 **Effective Date.** This Agreement shall become effective upon its acceptance for filing or approval by FERC, without change unacceptable to either Party. If FERC's acceptance for filing or approval of this Agreement is, as a result of rehearing or judicial review thereof, subsequently revised or modified in a manner unacceptable to either Party, this Agreement shall be deemed void ab initio. Any such revision or modification of this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within thirty (30) days of issuance of the applicable FERC action or judicial order that such action or order is unacceptable.

2.2 **Termination.** This Agreement shall terminate: (1) upon termination of all agreements between RTO West and the Generating Party for the provision of Transmission Services; or (2) upon mutual agreement. In addition, this Agreement shall cease to be applicable to any Covered Generation Facility as of the date and time that the Covered Generation Facility ceases to operate within RTO West's metered Control Area boundaries, whether resulting from (a) the termination of the RTO West Transmission Operating Agreement between RTO West and the owner of the transmission facilities with which the applicable Covered Generation Facility is directly or indirectly physically interconnected with the RTO West Transmission System (whether or not such owner is the Generating Party), (b) transfer of the Covered Generation Facility to a Control Area other than the RTO West's Control Area, (c) the permanent shut-down of Covered Generation Facility, or (d) otherwise. The Generating Party shall provide RTO West with at least (a) \_\_\_\_\_ months' notice before the effective date of any transfer of the Covered Generation Facility to another Control Area and (b) \_\_\_\_ days' notice prior to permanent shut-down, except where the shut-down is the result of an Uncontrollable Force in which case notice shall be provided to RTO West as soon as practicable.

3. **Applicable RTO West Tariff Provisions.** The provisions of RTO West's Transmission Tariff listed below shall apply to the operation of the Generating Party's Covered Generation Facilities. Each Party agrees to comply with all applicable provisions of the RTO West Transmission Tariff.

### **3.1 Operating and Interconnection Standards.**

3.1.1 **General Compliance Obligation.** Except to the extent that an exemption applies under Section 3.1.2 below and subject to the provisions of Section 4.3 below, each Covered Generation Facility shall comply at all times with the ["technical" requirements specified in applicable sections of the RTO West tariff *(to be developed by the technical requirements team)*];

3.1.2 **Exemption Procedures.** With respect to any Covered Generation Facility that was in operation before the Transmission Service Commencement Date, the Generating Party may, within 60 days of the effective date of this Agreement, notify RTO West that, because of the configuration, location, or operational characteristics of the

Covered Generating Facility, the Generating Party is unable to comply with one or more of the applicable provisions of this Agreement and the RTO West Transmission Tariff. Upon RTO West's receipt of notice from the Generating Party under this Section 3.1.2, the Covered Generating Facility shall be excused from compliance with this Agreement, *subject to* the following limitations and obligations:

- (a) each Covered Generation Facility identified in the Generating Party's notice shall be excused only with respect to the particular operating and interconnection standards with which the Covered Generating Facility is unable to comply because of limitations caused by its configuration, location, or operational characteristics, and only to the extent of those limitations;
- (b) the Generating Party shall make commercially reasonable efforts to modify any non-complying Covered Generation Facility as soon as feasible within the course of performing routine maintenance and upgrades so that it fully complies with all provisions of this Agreement and applicable provisions of the RTO West Transmission Tariff, but in any case the Generating Party shall cause all Covered Generation Facilities to fully comply with all provisions of this Agreement and all applicable provisions of the RTO West Transmission Tariff no later than three years after the effective date of this Agreement; and
- (c) if RTO West disputes the validity of any claim of inability to comply contained in the Generating Party's notice to RTO West under this Section 3.1.2, any disputed issues shall be resolved as specified in Section 3.7 below and the application of any affected provisions of this Agreement and the RTO West Transmission Tariff shall be suspended until the dispute is resolved.

*[Note – It is possible that some members of the GIA Subgroup may want to incorporate a provisions allowing a party to petition RTO West to declare a particular Generating Facility permanently exempt from any provisions of the GIA because of the facility's inability to have an adverse impact on the operation of the RTO West Transmission System.]*

**3.3 Transmission Scheduling.** Transmission scheduling with respect any requested transmission of capacity and energy from any Covered Generation Facility (or the Scheduling Coordinator for any Interconnected Plant) shall be as specified in *[include specific section or appendix reference?]* the RTO West Transmission Tariff.

**3.4 Maintenance Scheduling.** Maintenance scheduling with respect all Covered Generation Facilities shall be as specified in *[include specific section or appendix reference?]* the RTO West Transmission Tariff.

3.5 **Emergency Redispatch.** The Parties' rights and obligations with respect to redispatch of output from any Covered Generation Facility when there is a Transmission System Emergency (as that term is defined in the RTO West Transmission Tariff) shall be as specified in *[include specific section or appendix reference?]* the RTO West Transmission Tariff.

3.6 **Billing and Payment.** Billing and payment under this Agreement shall be as specified in *[include specific section or appendix reference?]* the RTO West Transmission Tariff.

3.7 **Disputes.** Any dispute between the Parties arising under this Agreement shall be resolved in accordance with the dispute resolution provisions specified in *[include specific section or appendix reference?]* the RTO West Transmission Tariff.

3.8 **Notice Procedures.** The delivery of notices under this Agreement shall be in accordance with the provisions of *[include specific section or appendix reference?]* the RTO West Transmission Tariff, subject to Section 10.2 of this Agreement.

3.9 **Uncontrollable Force.** The Parties' rights and obligations with respect to the occurrence of an Uncontrollable Force, as well as the definition of "Uncontrollable Force" shall be in accordance with the provisions of *[include specific section or appendix reference?]* the RTO West Transmission Tariff.

#### **4. Agreement's Application.**

4.1 **Identification of Covered Generation Facilities and Pre-existing Generation Agreements.** The Covered Generation Facilities to which this Agreement applies are listed Exhibit B to this Agreement. All Pre-Existing Generation Agreements are also listed on Exhibit B. The Generating Party shall, by written notice to RTO West, update Exhibit B throughout the term of this Agreement to reflect: (1) the addition or removal of any Covered Generation Facility; and (2) the termination, extension, renewal, or modification of any Pre-existing Generation Agreement, each in accordance with the provisions of this Agreement and the RTO West Transmission Tariff.

##### **4.2 Pre-existing Generation Agreements.**

4.2.1 **General Provisions.** Nothing in this Agreement shall require the Generating Party to violate any of its obligations under any Pre-existing Generation Agreement as listed on Exhibit B; *provided, however*, that with respect to any Generating Facility subject a Pre-existing Generation Agreement, the Generating Party shall comply with this Agreement to the maximum extent permitted under the terms of the applicable Pre-existing Generation Agreement. If the Generating Party voluntarily extends, renews, or modifies any Pre-existing Generation Agreements after the effective date of this Agreement, the Generating Party shall make commercially reasonable efforts to cause the extended, renewed, or modified Pre-existing Generation Agreement to contain terms that

require full compliance with all provisions of this Agreement. The Generating Party shall not modify any Pre-existing Generation Agreement in a manner inconsistent with any obligation created by this Agreement.

**4.2.2 Cooperation with Third-Party Generation Owner's Election to Enter into a Generation Integration Agreement with RTO West.** *[We need to incorporate into the GIA the same provisions that are developed for the TCA concerning a Generating Party's obligations to allow counter-parties to Pre-existing Generation Agreements to directly enter into GIAs with RTO West if they so choose, subject to both parties' entitlement to preserve rights (not in conflict with the GIA) under their Pre-existing Generation Agreements.]*

**4.2.3 Development and Delivery of Instructions to RTO West Concerning Pre-Existing Generation Agreements.** Within the sooner of: (1) 60 days following the effective date of this Agreement; or (2) 30 days before the scheduling with RTO West of any energy, Interconnected Operations Services, or Ancillary Services (as the latter two terms are defined in the RTO West Transmission Tariff) from the affected Generating Facility, the Generating Party shall meet with any counter-parties to Pre-existing Generation Agreements (in each case where the counter-party has elected not to enter directly into a Generation Integration Agreement with RTO West) and develop and deliver to RTO West *[ in accordance with the provisions of Appendix \_\_\_\_ to the RTO West Transmission Service,]* a set of instructions as to how RTO West may operate with respect the affected Generating Facility or Facilities in a manner that is consistent with the terms of the applicable Pre-existing Generation Agreement.

**4.2.4 Specific Provisions Concerning Existing Remedial Action Schemes.** Without limiting the generality of Section 4.2.1 above, the Parties acknowledge and agree nothing in this Agreement is intended to modify the Generating Party's existing obligations, if any, regarding generator tripping associated with existing Remedial Action Schemes, or other generator tripping agreements. All Remedial Actions Schemes and generator tripping agreements to which any Covered Generation Facility is subject (to the extent the Remedial Action Scheme or the generator tripping agreement is not created by or administered under an agreement with RTO West or any applicable provision of the RTO West Transmission Tariff) are listed on Exhibit D.

**4.3 Limits on Parties' Obligations Under Agreement and Applicable Tariff Provisions.** In carrying out the requirements of this Agreement and applicable provisions of the RTO West Transmission Tariff, except as provided otherwise in Section 8.2.3 of Appendix \_\_\_\_ of the RTO West Transmission Tariff, neither Party shall be required to take any action:

- (a) that is not within the physical capabilities of the Party's Electric System (or any part of another party's Electric System that the applicable Party has the legal right to cause to comply with this Agreement);

- (b) that it believes in good faith will create serious and immediate risks to human health or safety; *provided, however,* that interruption of Transmission Service shall not in itself necessarily be deemed to create serious and immediate risks to human health or safety;
- (c) that it believes in good faith will create an immediate risk of serious damage to facilities or equipment within its Electric System or will cause it to operate any part of its Electric System in an unsafe manner;
- (d) that would violate any provision of the reliability criteria, standards, guidelines and operating procedures of NERC or the WSCC, any FERC licenses with which it is obligated to comply, any applicable Nuclear Regulatory Commission licenses or requirements, the terms of any applicable permits issued by a governmental authority, or any applicable governmental laws or regulations; or
- (e) that conflict with any non-power requirements with which the Party is obligated to comply (including without limitation any obligations under environmental laws, regulations, court and administrative orders, or biological opinions);

*provided, however,* that neither Party may not refuse to comply with any provision of this Agreement or the RTO West Transmission Tariff on the basis that to do so would cause that Party to violate contractual obligations to supply, transmit, or deliver firm power.

## **5. Interconnection and Metering Information.**

**5.1 Points of Interconnection.** The Points of Interconnection between the Covered Generation Facilities and the RTO West Control Area (including their location and any related equipment) are as listed in Exhibit B to this Agreement. The Generating Party shall, upon RTO West's request, make available to RTO West corresponding maps and single-line diagrams of all Points of Interconnection and related equipment listed on Exhibit B. The Parties shall amend Exhibit B as necessary to reflect additions or modifications to any Points of Interconnection.

**5.2 Metering System Locations.** Exhibit C to this Agreement specifies the locations of all metering systems, and any necessary adjustment factors if the location of a metering system is not at the Point of Interconnection. The Parties agree to keep this information current and to advise each other of any additions or modification made to a metering system at the time any such modification or addition is made. The Parties further agree to amend Exhibit C as necessary and appropriate to reflect such additions or modifications.

## **6. RTO West's Obligations Concerning Operation of RTO West Controlled Transmission.** In operating the RTO West Controlled Transmission, RTO West shall, at



a minimum, comply with the criteria applicable to control area operators as specified in Annex A, Section III, Subsections A through E of the WSCC Reliability Criteria Agreement as in effect and filed with FERC as of July 1, 1999 (as subsequently modified by FERC order issued \_\_\_\_\_, 2000). Nothing in this Section 6 shall require RTO West to become a signatory to, or to comply with any other provisions of, the WSCC Reliability Criteria Agreement or any other provisions of the WSCC Reliability Management System, and specifically (without limitation), RTO West shall have no obligation under this Agreement to submit compliance data to the WSCC or to be subject to sanctions issued by the WSCC in connection with the WSCC Reliability Management System.

**[RTO West Facilitation of Displacement Energy Bidding Process in Cases of Certain Hydroelectric Must-Run Generation Emergencies. (formerly numbered as Section 9)]**

*[Note: These provisions are not being addressed by the GIA Subgroup for now, pending input from federal parties and other interested participants who are currently addressing this issue internally. Depending on whether these or analogous provisions are carried forward, we might need to resolve whether they belong in the GIA or the RTO West tariff.]*

**7. Most Favored Nation Obligation.** If a new Generation Integration Agreement or an amendment to an existing Generation Integration Agreement contains terms that differ from the provisions contained in this Agreement, other than as necessary to accommodate technical differences or legal requirements that apply to the other party executing the new or amended Generation Integration Agreement but not to the Generating Party, RTO West agrees to amend this Agreement at the Generating Party's request to incorporate terms that are comparably favorable to such different terms.

[8. **Insurance and Limitation of Liability.** *[Current suggested language as provide by Gary Dahlke.]* To promote cooperation between the Parties, to avoid duplication of costs, and to carry out the purposes of this Agreement, the Parties agree to the following provisions for limited liability, insurance, and indemnification:

**8.1 Limitations of Liability.** Except as otherwise provided under the RTO West Transmission Tariff, the Generating Party shall not be liable (whether based on contract, indemnification, warranty, tort, strict liability or otherwise) to RTO West or any other party for any damages whatsoever, including without limitation, special, indirect, incidental, consequential, punitive, exemplary or direct damages resulting from any act or omission in any way associated with this Agreement, except to the extent the Generating Party is found liable for gross negligence or intentional misconduct, in which case the Generating Party shall not be liable for any special, indirect, incidental, consequential, punitive or exemplary damages.

**8.2 Additional Limitations of Liability.** Except as otherwise provided under the RTO West Transmission Tariff, the Generating Party shall not be liable for any indirect, consequential, exemplary, special, incidental or punitive damages including, without limitation, lost revenues or profits, the cost of replacement power or the cost of capital, even if such damages are foreseeable or the damaged party has been advised of the possibility of such damages and regardless of whether any such damages are deemed to result from the failure or inadequacy of any exclusive or other remedy.

**8.3 Insurance; Waiver of Subrogation Rights.**

**8.3.1 RTO West Insurance Coverage Requirements.** Throughout the term of this Agreement, RTO West shall maintain insurance coverage consistent with prudent industry practice and that at a minimum:

- (a) provides general liability and errors and omissions insurance with respect to RTO West's performance under this Agreement;
- (b) provides for maximum per-occurrence self-insured retention of not more than \$2 million;
- (c) provides general liability coverage limits of not less than \$150 million and separate errors and omissions coverage limits of not less than \$100 million;
- (d) provides an agreement or endorsement under which the insurance cannot be terminated, canceled, allowed to expire, non-renewed, or materially altered without 90 days' prior written notice to RTO West and provides that such policy is primary over any other insurance;
- (e) provides that RTO West's insurer shall be bound by any waivers of the insurer's rights of subrogation granted by RTO West; and
- (f) names the Parties to this Agreement as an Additional Insured(s) under such insurance.

**8.3.2 Annual Review.** Insurance requirements shall be reviewed by RTO West's Board of Directors [Trustees] on an annual basis for consistency with prudent industry practice, but shall be no less than the above referenced specific coverage and limits. Alternative risk financing arrangements sufficient to cover these responsibilities will require written approval of the majority of Generating Parties executing Generation Integration Agreements with RTO West.

**8.4 RTO West's Obligation to Notify Parties with Respect to Insurance.** RTO West shall not consent to or allow the insurance required under Section 8.3.1 above

to be terminated, canceled, allowed to expire, or materially altered without the Generating Party's written consent. Non-renewal of insurance shall also not occur without providing at least 60 days' advanced notice to Parties to this Agreement.

**8.5 Claims by Employees and Insurance.** A Party shall be solely responsible for and shall bear all of the costs of claims by its own employees, contractors, or agents arising under and covered by, any workers' compensation law. A Party shall furnish, at its sole expense, such insurance coverage and such evidence thereof, or evidence of self-insurance, as is reasonably necessary to meet its obligations under this Agreement. Each Party hereby agrees to indemnify, defend and hold the other Party harmless from any such claims, and hereby expressly waives protections afforded by worker's compensation law as necessary to effect the terms of this agreement.

**8.6 Third-Party Claims.** In the event third-party claims are made against another Party to this Agreement arising out of this Agreement or its performance, or with the occurrence of an event from which it is reasonably anticipated that claims may be made, the Parties agree that:

8.6.1 In the event of any such claim, or even from which third party claim(s) are anticipated, a Party shall provide immediate notice to the other Party pursuant to Section 10.1 of this Agreement; shall make such immediate efforts as necessary to preserve evidence and/or protect against default judgment; and shall provide notice to RTO West's General Counsel at the address designated for such purpose with a copy to the broker of record with respect to the insurance policy described in Section 8.3.1 above. RTO West's General Counsel shall provide notice to all other parties to Generation Integration Agreements, and assure that notice as necessary is given to insurance carrier(s). Failure to provide such notice shall not prejudice the right of a party to bring a subsequent claim against RTO West, and shall not subject such party to any damages for failure to notify RTO West.

**8.7 Survival.** The provisions of this Section 8 ("Insurance and Limitation of Liability") shall survive the termination or expiration of this Agreement or the RTO West Transmission Tariff.

[The following provisions would either be incorporated here, or in a separate multilateral agreement concerning various liability issues including, for example, property damage.]

**8.8** In the event RTO West issues an operating instruction to any party, and such operating instruction is found not valid for any reason, including for the reason that such operating instruction is not within the authority of RTO West under the RTO West Transmission Tariff then in such event:

8.8.1 No provision of this Agreement shall be construed as requiring any party including the Generating Party to follow such operating instruction; and

8.8.2 If the Generating Party complies, or attempts to comply, with such operating instruction and the Generating Party incurs loss or damage as a result, then in such a case the Generating Party shall be entitled to recover from RTO West its [Direct Actual Damages if the IPP Group does not prevail on SubGroup A Issue 2] or [Demonstrable Costs, if the IPP Group does prevail].

8.9 **Liquidated Damages.** The Parties agree that the amounts recoverable under Section 8.8 are a reasonable estimate of loss and not a penalty, and represent the sole and exclusive remedy for the non-defaulting party. Such amounts are payable for the loss of the bargain and the loss of protection against future risks.

## **9. Assignments and Conveyances.**

9.1 **Assignment of RTO West's Rights and Obligations.** Except as otherwise provided in Section 9.4, RTO West shall not, without the prior written consent of the Generating Party, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law.

9.2 **Assignment of the Generating Party's Rights and Obligations.** Except as otherwise provided in Section 9.4, the Generating Party shall not, without the prior written consent of RTO West, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law; *provided, however*, that the Generating Party may, without the consent of RTO West, assign its rights and obligations under this Agreement to any person or entity (1) with which the Generating Party is merged or consolidated, or (2) to which the Generating Party sells, transfers, or assigns all or substantially all of the Covered Generating Facilities, so long as the survivor in any such merger or consolidation, or the purchaser, transferee or assignee of such Covered Generating Facilities provides to RTO West a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Generating Party under this Agreement.

9.3 **Transfer of Rights Affecting Covered Generation Facilities.** Unless otherwise approved by RTO West in writing, the Generating Party shall not sell, transfer or assign any rights that affect the Generating Party's ability to perform its obligations under this Agreement with respect to any Covered Generating Facility unless (1) the purchaser, transferee or assignee of such rights provides to RTO West a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Generating Party under this Agreement with respect to the Covered Generation Facility, or (2) RTO West and the transferee have entered an agreement comparable to this Agreement with respect to the Covered Generation Facility. Notwithstanding the foregoing, the provisions of this Section 9.3 shall not apply to any Covered Generation Facility that, upon completion of a proposed sale, transfer, or assignment of rights, would no longer be operated within RTO West metered Control Area boundaries, *provided* that the Generating Party has given RTO West at least \_\_\_\_\_ months' notice of the date on

which the Covered Generation Facility will cease to operate within RTO West's metered Control Area boundaries.

9.4 **Assignment for Security Purposes.** Notwithstanding any other provision of this Agreement, (1) the Generating Party may, without RTO West's consent, pledge or assign all or any portion of its Electric System for financing purposes, and (2) RTO West may, without the Generating Party's consent, pledge or assign, for financing purposes, all or any portion of its rights or interests with respect to the RTO West Transmission System.

9.5 **Effect of Permitted Assignment.** In the event of any permitted sale, transfer or assignment hereunder, the transferor or assignor shall to the extent of the transferred or assigned obligations, and only to such extent, be relieved of obligations accruing from and after the effective date of such transfer or assignment; *provided, however,* that under no circumstances shall any sale, transfer or assignment relieve the transferor or assignor of any liability for any breach of this Agreement occurring before the effective date of such transfer or assignment.

9.6 **Successors and Assigns.** This Agreement is binding on and shall inure to the benefit of the Parties and their respective successors, permitted assigns and legal representatives.

9.7 **Consent Not Unreasonably Denied or Delayed.** Neither Party shall unreasonably deny or delay consents to assignment, pledge or transfer requested pursuant to this Section 9.

## 10. Notices.

10.1 **Address for Notices to the Generating Party.** The address of the Generating Party for notices under this Agreement and all applicable provisions of the RTO West Transmission Tariff shall be:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn:

Telecopy:

10.2 **Specific Provision Controls.** Notwithstanding the requirements of *[insert reference to applicable section of RTO tariff?]* the RTO West Transmission Tariff, where any provision of this Agreement or applicable provisions of the RTO West Transmission Tariff require a Party to furnish any particular data, information, or notice in a specific manner or within a specific time period, such provision shall control.

*[NOTE: All provisions below will be coordinated with the TCA and the LIA so that parallel provisions in each of the TOA, LIA, and GIA will be consistent.]*

**11. Amendments.** This Agreement may not be modified by either Party except by subsequent mutual written agreement duly executed by the Parties.

**12. Construction of Agreement.** Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in a manner that most accurately reflects the purpose of this Agreement and the nature of the rights and obligations of the Parties with respect to the matter being construed.

**13. Integration.** This Agreement, including the exhibits hereto, constitute the complete agreement of the Parties with respect to the subject matter hereof, and all prior or contemporaneous representations, statements, negotiations, understandings and inducements are fully merged and incorporated in this Agreement.

**14. Preservation of Obligations.** Upon termination of this Agreement, all unsatisfied obligations of each Party shall be preserved until satisfied.

**15. Existing Agreements Preserved.** Nothing in this Agreement shall be interpreted to supersede the rights or obligations of any party under any existing agreement unless otherwise expressly stated herein.

**16. Governing Law.** Except as provided in Section 16.4 below, this Agreement shall in all respects be interpreted, construed and enforced according to location of the principal office of the Party whose alleged obligations are to be enforced (without reference to rules governing conflicts of laws).

**16.1 Application of State Law.** If the principal office of the Party whose alleged obligations are to be enforced is located in a state within the United States (and Section 16.3 does not apply), the laws of that state shall govern except to the extent that such laws may be preempted by the laws of the United States of America.

**16.2 Application of Provincial Law.** If the principal office of the Party whose alleged obligations are to be enforced is located in a province of Canada (and Section 16.3 does not apply), the laws of that province shall govern except to the extent that such laws may be preempted by the laws of Canada.

**16.3 Application of Tribal Law.** If the principal office of the Party whose alleged obligations are to be enforced is located on tribal lands belonging to a sovereign tribe that exercises regulatory jurisdiction over any facilities or Party subject to this Agreement, the applicable tribal laws shall govern except to the extent that such laws may be preempted by the laws of the United States of America.

**16.4 Law Applicable to Federal Generating Parties.** Notwithstanding the provisions of Sections 16.1 through 16.3 above, if the Generating Party is a United States government entity (including but not limited to a federal power marketing administration), this Agreement shall in all respects be interpreted, construed, and enforced in accordance with the laws of the United States.

**17. Severability.** The rights of each Party shall be as set forth in Section 2.1 if this Agreement is (1) not accepted for filing or approved by FERC, (2) accepted for filing or approved by FERC with changes unacceptable to either Party, or (3) accepted for filing or approved by FERC, but such acceptance or approval is, as a result of judicial review, subsequently reversed or modified in a manner unacceptable to either Party. If this Agreement is not rendered void in accordance with the provisions of Section 2.1, and thereafter any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent not prohibited by law, and all other terms, covenants, and conditions of this Agreement, and the application thereof, shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

**18. Singular and Plural; Use of “Or”.** Whenever in this Agreement the context so suggests, references to the singular shall be deemed to include the plural, and references to “or” shall be deemed to be disjunctive but not necessarily exclusive.

**19. Headings for Convenience Only.** The section headings in this Agreement are intended for convenience and reference only, and are not intended to define, limit, or describe the scope or intent of any provisions of this Agreement.

**20. Relationship of the Parties.**

**20.1 No Partnership, Etc.** Nothing contained herein shall be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either or both of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement.

**20.2 Rights Several.** All rights of the Parties are several, not joint. Except as expressly provided in this Agreement, no Party shall have a right or power to bind another Party without such Party’s express written consent.

**21. No Third Party Beneficiaries.** This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation, or undertaking established herein.

**22. No Dedication of Facilities.** No undertaking by either Party to the other Party under or pursuant to any provision of this Agreement shall constitute or be deemed to constitute a dedication of all or any portion of the RTO West Transmission System to the public or to the Generating Party or a dedication of all or any portion of the Generating Party's Electric System to the public or to RTO West.

**23. Waiver Provisions.**

23.1 **No Implied Waivers.** Any waiver at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any other default or other matter arising in connection with this Agreement. Any waiver must be delivered in writing, executed by an authorized representative of the Party granting such waiver. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.

23.2 **RTO West Waiver Through Tariff Provision.** RTO West, may, at any time, waive any obligation of the Generating Party under this Agreement (together with identical obligations under all other Generation Integration Agreements) through language incorporated into the RTO West Transmission Tariff (and accepted by FERC) that explicitly provides for waiver of one or more Generating Party obligations under this Agreement and all other Generation Integration Agreements.

**24. Exhibits Incorporated.** The exhibits to this Agreement, as they may be amended or revised from time to time, are attached to this Agreement and are incorporated by reference as if herein fully set forth.

**25. Further Actions and Documents.** Each Party agrees to do all things, including but not limited to the preparation, execution, delivery, filing and recording of any instruments or agreements, reasonably requested by the other Party to carry out the provisions of this Agreement.

**26. Counterparts.** This Agreement may be executed in one or more counterparts, which may be executed at different times. Each counterpart shall constitute an original but all counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names.

RTO West

[The Generating Party]



By:  
Name:  
Title:

By:  
Name:  
Title:

## Exhibit A

### Definitions

**“Agreement”** means this RTO West Generation Integration Agreement.

**“Control Area”** means an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to: (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s) with the load within the electric power system(s); (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice; (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice. *[Note: this definition has been flagged for possible further work]*

**“Covered Generation Facility”** means any Generation Facility subject to the provisions of this Agreement in accordance with the following provisions:

- (a) with respect to any Generating Party that is also a Participating Transmission Owner (as that term is defined under the RTO West Transmission Operating Agreement), a “Covered Generation Facility” is any Generation Facility that the Generating Party controls (as defined below) and that is located within RTO West’s metered Control Area boundaries;
- (b) with respect to any Generating Party that is not a Participating Transmission Owner, a “Covered Generation Facility” is any Generation Facility that the Generating Party controls that is located within RTO West’s metered Control Area boundaries and that:
  - (i) is required under Appendix [J] of the RTO West Transmission Tariff to be subject to a Generation Integration Agreement because (x) energy or Interconnected Operations Services or Ancillary Services (as the latter two terms are defined *[refer to applicable section or appendices]* of the RTO West Transmission Tariff) are scheduled from the Generation Facility onto the RTO West Transmission System and (y) the party that controls or operates the Generating Facility does not have a valid, Pre-existing Generation Agreement with a Participating Transmission Owner or has failed to deliver (or cause to be delivered) instructions to RTO West concerning operation of the Generation Facility in accordance with the Pre-existing Generation Agreement; or

- (ii) the Generating Party has voluntarily agreed to make subject to a Generation Integration Agreement at the request of a Participating Transmission Owner, or at the Generating Party's election because of the Generating Party's recognition of the potential for the Generating Facility to adversely affect the RTO West Transmission System; or
  - (iii) is required pursuant to law, regulation, or other applicable authority having jurisdiction in the matter to be made subject to a Generation Integration Agreement.
- (c) For the purposes of this Agreement, a Generating Party is deemed to control a Generating Facility if: (1) the Generating Party has the right (whether by ownership, contract, statute, judicial or administrative order, regulatory authority, or otherwise) to direct the operation of a Generating Facility (with respect to all or any part of the Generating Facility's generation capacity); or (2) the Generating Facility is responsive to the Generating Party's automatic generation control scheme; *provided, however*, that in each case where the Generating Party controls less than all of a Generating Facility's generation capacity, the applicable Generating Facility shall be deemed a "Covered Generation Facility" within the scope of this Agreement only with respect to the generation capacity over which the Generating Party has control.

**"Electric System"** means a single integrated electric power grid usually characterized by ownership, rental, lease, control, or operation by a single person or entity. An "Electric System" consists of electric distribution facilities or generating facilities or transmission facilities, or any combination of the three, and includes transmission lines, distribution lines, substations, switching stations, generating plants and all associated equipment for generating, transmitting, distributing or controlling flow of power. The term "Electric System" shall include any devices or equipment by which information is originated on an electric system or by the person operating such system, by which such information is transmitted, and by which such information is received either for information or for operation of the system, whether by the originating system or by another system.

**"FERC"** means the Federal Energy Regulatory Commission or any successor thereto.

**"Generation Facility"** means any facility used for the generation of electricity for sale at wholesale or retail.

**"Generation Integration Agreement"** means any agreement substantially in the form of this Agreement between RTO West and a party other than the Generating Party.

**“Good Utility Practice”** means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the WSCC Interconnection. *[Note: This definition is currently used only in Recital B and the definition of “Control Area.” We may want to revisit whether it is useful if we re-visit the definition of Control Area.]*

**“NERC”** means the North American Electric Reliability Council or its successor organization.

**“Point of Interconnection”** means the point of change in operational control between an Covered Generation Facility and the RTO West Transmission System.

**“Pre-existing Generation Agreement”** means any agreement to which the Generating Party is a party that is in effect as of the effective date of this Agreement and that relates to the ownership or operation of a Generating Facility within RTO West’s metered Control Area boundaries and that provides for the transfer of power produced by the Generating Facility across some part of the facilities that, as of the Transmission Service Commencement Date, constitute the RTO West Transmission System.

**“Remedial Action Scheme”** means protective systems that typically utilize a combination of conventional protective relays, computer-based processors, and telecommunications to accomplish rapid, automated response to any electric disturbance.

**“RTO West Controlled Transmission”** means the collective facilities and equipment specified on Exhibit D all RTO West Transmission Operating Agreements, taken together.

**“RTO West Transmission Operating Agreement”** means the form of RTO West agreement by which owners of portions of RTO West Controlled Transmission have transferred operational control of such transmission facilities to RTO West.

**“RTO West Transmission System”** means the collective “Transmission Facilities” as defined under all the RTO West Transmission Operating Agreements, taken together.

**“RTO West Transmission Tariff”** means the tariff of RTO West for the provision of Transmission Services (including all appendices and schedules) as accepted for filing or approved by FERC.

**“Transmission Services”** has the meaning specified in the RTO West Transmission Tariff.

**“Transmission Service Commencement Date”** means the date that RTO West commences its provision of Transmission Service and Operational Control over the RTO West Transmission System, pursuant to the provisions of the RTO West Transmission Operating Agreement

**“WSCC”** means the Western Systems Coordinating Council or its successor organization.

**“WSCC Interconnection”** means the WSCC geographic region as defined by NERC. *[Note: This definition is currently used only in the definition of “Good Utility Practice.” If we don’t use the term “Good Utility Practice” we won’t need this definition either.]*

## **Exhibit B**

### **Covered Generation Facilities and Points of Interconnection and Pre-existing Generation Agreements**

## **Exhibit C**

### **Metering System Locations**

## **Exhibit D**

### **I. RTO West Remedial Action Schemes in Which the Generating Party Shall Participate**

### **II. Other Remedial Action Schemes and Generator Tripping Agreements to Which Any Covered Generation Facility is Subject**



## **Exhibit E**

### **Protective Devices and Terminal Voltage Regulators**

*[Note – The GIA currently has no references to this exhibit. It is left here as a placeholder in case the provisions of Section 7.1 when they are developed need to identify protective devices and terminal voltage regulators]*

## **Exhibit F**

### **Special Arrangements**

## **Exhibit G**

### **Operating Representatives**

## Attachment 7

### Comments on 9/6/00 Draft Generation Integration Agreement (Imparato – 9/13/00)

Date: September 13, 2000

To: Sarah Dennison-Leonard

From: Carl Imparato

Re: Comments on September 6, 2000 Draft of Generation Integration Agreement

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Sarah,

The following are the comments of the Northwest Power Marketer Coalition on the September 6 draft of the RTO West GIA. We appreciate the efforts that have been made to address some of the concerns that we have raised in our reviews of earlier versions of the GIA. However, there are a number of remaining concerns to which we hope you and the Filing Utilities will give consideration during the next phases of development of the RTO document.

#### 10. Section 3 (Applicable RTO West Tariff Provisions)

As currently structured, this section attempts to list various provisions of the RTO West Tariff with which the Generating Party must comply. This approach would inevitably cause many complications because the relevant provisions of the Tariff permeate the entire Tariff document. We propose that instead, Section 3 be redrafted to simply obligate the Generating Party to comply with the RTO Tariff, as follows.

10. ~~Applicable Compliance with RTO West Tariff Provisions. The provisions of RTO West's Transmission Tariff listed below shall apply to the operation of the Generating Party's Covered Generation Facilities. Except to the extent that an exemption applies under Section 3.1.1 below, each Party agrees to comply with all applicable provisions of the RTO West Transmission Tariff, including but not limited to the operating standards, interconnection standards, transmission scheduling, ancillary services scheduling, maintenance scheduling, emergency redispatch, settlements, payment and dispute resolution provisions specified therein.~~

#### ~~3.1 — Operating and Interconnection Standards.~~

~~3.1.1 — General Compliance Obligation. Except to the extent that an exemption applies under Section 3.1.2 below and subject to the provisions of Section 4.3~~

~~below, each Covered Generation Facility shall comply at all times with the [“technical” requirements specified in applicable sections of the RTO West tariff (to be developed by the technical requirements team)];~~

**3.1.2 Exemption Procedures.** With respect to any Covered Generation Facility that was in operation before the Transmission Service Commencement Date, the Generating Party may, within 60 days of the effective date of this Agreement, notify RTO West that, because of the configuration, location, or operational characteristics of the Covered Generating Facility, the Generating Party is unable to comply with one or more of the applicable provisions of this Agreement and the RTO West Transmission Tariff. Upon RTO West’s receipt of notice from the Generating Party under this Section 3.1.2, the Covered Generating Facility shall be excused from compliance with this Agreement, *subject to* the following limitations and obligations:

- (d) each Covered Generation Facility identified in the Generating Party’s notice shall be excused only with respect to the particular operating and interconnection standards with which the Covered Generating Facility is unable to comply because of limitations caused by its configuration, location, or operational characteristics, and only to the extent of those limitations;
- (e) the Generating Party shall make commercially reasonable efforts to modify any non-complying Covered Generation Facility as soon as feasible within the course of performing routine maintenance and upgrades so that it fully complies with all provisions of this Agreement and applicable provisions of the RTO West Transmission Tariff, but in any case the Generating Party shall cause all Covered Generation Facilities to fully comply with all provisions of this Agreement and all applicable provisions of the RTO West Transmission Tariff no later than three years after the effective date of this Agreement; and
- (f) if RTO West disputes the validity of any claim of inability to comply contained in the Generating Party’s notice to RTO West under this Section 3.1.2, any disputed issues shall be resolved as specified in Section 3.7 below and the application of any affected provisions of this Agreement and the RTO West Transmission Tariff shall be suspended until the dispute is resolved.

~~**3.3 Transmission Scheduling.** Transmission scheduling with respect any requested transmission of capacity and energy from any Covered Generation Facility (or the Scheduling Coordinator for any Interconnected Plant) shall be as specified in [include specific section or appendix reference?] the RTO West Transmission Tariff.~~

~~3.4 — **Maintenance Scheduling.** Maintenance scheduling with respect all Covered Generation Facilities shall be as specified in [*include specific section or appendix reference?*] the RTO West Transmission Tariff.~~

~~3.5 — **Emergency Redispatch.** The Parties' rights and obligations with respect to redispatch of output from any Covered Generation Facility when there is a Transmission System Emergency (as that term is defined in the RTO West Transmission Tariff) shall be as specified in [*include specific section or appendix reference?*] the RTO West Transmission Tariff.~~

~~3.6 — **Billing and Payment.** Billing and payment under this Agreement shall be as specified in [*include specific section or appendix reference?*] the RTO West Transmission Tariff.~~

~~3.7 — **Disputes.** Any dispute between the Parties arising under this Agreement shall be resolved in accordance with the dispute resolution provisions specified in [*include specific section or appendix reference?*] the RTO West Transmission Tariff.~~

[Move the following two paragraphs to the “boilerplate” section at the end of the document.]

~~3.8~~27. **Notice Procedures.** The delivery of notices under this Agreement shall be in accordance with the provisions of [*include specific section or appendix reference?*] the RTO West ~~Transmission~~ Tariff, ~~subject to Section 10.2 of this Agreement.~~

~~3.9~~28. **Uncontrollable Force.** The Parties' rights and obligations with respect to the occurrence of an Uncontrollable Force, as well as the definition of “Uncontrollable Force” shall be in accordance with the provisions ~~of~~ [*include specific section or appendix reference?*] the RTO West ~~Transmission~~ Tariff.

#### 10. Section 4.3: Limits on Obligations to Comply with RTO Orders

This section should not be in the GIA. Rather, it is a very important set of rules which apply to all Parties and should be a part of the RTO Tariff (and would therefore become an binding obligation under the GIA, the LIA, the TOA and the SC Agreement). In addition, the last section (after item (e)) should be deleted, since it explicitly contradicts the basic principle (and statements in the Tariff) that all existing contractual obligations shall be honored by the RTO. Finally, an item (f) also needs to be added to the list to reflect the agreements reached in various other work groups. The language in the RTO Tariff might read as follows:

“No Party (i.e., Scheduling Coordinator, Generator, Load or Participating Transmission Owner) shall be required to:

- (f) take any action that is not within the physical capabilities of the Party's Electric System or any part of another party's Electric System that the applicable Party has the legal right to cause to comply with the Tariff;
- (g) take any action that it believes in good faith will create serious and immediate risks to human health or safety; *provided, however*, that interruption of Transmission Service shall not in itself necessarily be deemed to create serious and immediate risks to human health or safety;
- (h) take any action that it believes in good faith will create an immediate risk of serious damage to facilities or equipment within its Electric System or will cause it to operate any part of its Electric System in an unsafe manner;
- (i) take any action that would violate any provision of the reliability criteria, standards, guidelines and operating procedures of NERC or the WSCC, any FERC licenses with which it is obligated to comply, any applicable Nuclear Regulatory Commission licenses or requirements, the terms of any applicable permits issued by a governmental authority, or any applicable governmental laws or regulations;
- (j) take any action that would conflict with any Pre-Existing Contract or with other requirements with which the Party is obligated to comply (including without limitation any obligations under environmental laws, regulations, court and administrative orders, or biological opinions); or
- (k) comply with an operating instruction issued by the RTO where such operating instruction is not within the RTO's authorities under the RTO Tariff."

~~*Provided, however, that neither Party may not refuse to comply with any provision of this Agreement or the RTO West Transmission Tariff on the basis that to do so would cause that Party to violate contractual obligations to supply, transmit, or deliver firm power.*~~

Similarly, proposed GIA Sections 8.8 and 8.9 - which also address the issue of non-compliance with invalid operating instructions and compensation related to damages stemming from compliance with such instructions – should also become a part of the RTO Tariff rather than a part of the GIA.

#### 10. Section 6: RTO Obligations to Operate the Grid to Standards

The RTO's obligations as to how to operate the RTO Grid and to what standards should be specified in the Tariff, not in bilateral agreements. Those standards will certainly need to evolve over time. To place restrictive language in bilateral agreements would fundamentally compromise the independence of the RTO, and a bilateral agreement such as the GIA should not be permitted to compromise the RTO's ability to operate the grid reliably or effectively.

In addition, the standards that are specified in Section 6 of the GIA are incomplete and inconsistent with the RTO's obligations (helping to make the point as to why it is inappropriate for such language to be in each bilateral agreement). Therefore, Section 6 should be deleted from the GIA. The broad obligation of all parties to the GIA to comply with the RTO Tariff (proposed Section 3 above) is sufficient to ensure that all parties will be fully protected.

#### 10. Displacement Energy Bidding Process for Hydro Must-Run Problems

This language is currently still noted as under discussion. If indeed such language is required anywhere in the RTO documents (and we do not believe that it is), it would certainly not belong in the GIA, as such language would simply specify a set of congestion management rules which would belong in Appendix A of the RTO Tariff.

#### 10. Sections 8.3 and 8.4: RTO Insurance Requirements

These sections do not belong in the GIA. They belong in the Tariff: the RTO's independent ability to determine its obligations to carry insurance should not, as is also true for other operating rules, be compromised through restrictions imposed through bilateral agreements.

#### 10. Definition of "Transmission System Emergency"

The proposed definition is far, far too broad. Under the proposed definition, "emergencies" could occur virtually every day due to "impending threats" for a number of very common occurrences, including, among other things, "unintended interruptions of transmission service across one or more major transfer paths" (i.e., line outages). Because "Transmission System Emergencies" trigger the RTO's ability to operate outside the bounds of its normal protocols and to ignore certain market rules, such emergencies must truly be rare occurrences. We therefore propose the following alternative language:

"Transmission System Emergency: An event declared by the RTO when, in the judgment of the RTO, the RTO Grid is in danger of instability, voltage collapse or uncontrollable cascading outages."

#### 10. "Pre-Existing Generation Agreements"



The GIA uses a term called “Pre-Existing Generation Agreements” throughout the GIA. In the Congestion Management Work Group, the defined term “Pre-Existing Contracts” has already been defined and is intended to include such pre-existing generation agreements. There is therefore no reason to define the new term, and instead, all occurrences of “Pre-Existing Generation Agreements” should be replaced with “Pre-Existing Contracts.”

#### 10. Exhibit A (Definitions)

We continue to believe that there is no need for this Exhibit and that there should be a single set of Master Definitions that is used by the RTO Tariff and all other documents. Section 1 of the GIA should therefore refer to those Master Definitions rather than Appendix A. With regard to the Definitions themselves, our earlier comments to you, which pointed out that many of the Definitions need major overhaul, still stand.

10. Section 9.4 is somewhat ambiguous as currently drafted and should be modified:

9.4 “**Assignment for Security Purposes.** Notwithstanding any other provision of this Agreement, (1) the Generating Party may, without RTO West’s consent, pledge or assign all or any portion of its Electric System for financing purposes, and (2) RTO West may, without the Generating Party’s consent, pledge or assign, for financing purposes, all or any portion of ~~its~~the RTO’s rights or interests with respect to the RTO West Transmission System.”

10. Exhibit D: For clarity Section I of Exhibit D should be renamed: “RTO West Remedial Action Schemes in Which the Generating Party ~~Shall~~Is Obligated to -Participate.” This will avoid the help to avoid the misinterpretation that the RTO might possess the authority to order Generating Parties to participate in Remedial Action Schemes beyond those in which they already participate.

Thank you for your attention to these concerns. If you have any questions regarding any of them, please contact me at 510-558-1456 or [cfi1@tca-us.com](mailto:cfi1@tca-us.com).

Carl Imparato

**2/27/01**

## **Proposed Definition of Transmission System Emergency**

A System Emergency exist when, in the judgment of the RTO, the RTO Grid, or a portion of the RTO Grid, is in imminent danger of instability, voltage collapse or uncontrollable cascading outages and such danger cannot be alleviated by the normal issuance of Dispatch Instructions for the activation of Ancillary Services.

## Attachment 8

### Stage 1 Draft Generation Tariff Provisions (GIA/LIA Legal Subgroup/Dennison-Leonard – 9/6/00)

#### PROVISIONS OF RTO WEST GENERATION INTEGRATION AGREEMENT TO BE INCLUDED IN RTO WEST TARIFF PROVISIONS

*[General Note: I have left the numbering for all provisions shifted over from the GIA into this section as it was in the original GIA to help everyone keep track of the provisions' origin. I have also refrained from modifying the language to make it read as if it were part of the tariff, because to the extent we change the provisions at all, the effort might be superfluous -SDL]*

**3.6 The Generating Party's Responsibility To Protect Its Electric System.** Under no circumstances shall the Generating Party's execution of this Agreement be interpreted as relieving the Generating Party from any responsibilities to protect its Electric System or as imposing any responsibility or liability on RTO West for damage to the Generating Party's Electric System or to any person or property.

**4.3 Limits on Parties' Obligations Under Agreement and Applicable Tariff Provisions.** In carrying out the requirements of this Agreement and applicable provisions of the RTO West Transmission Tariff, except as provided otherwise in Section 8.2.3 below, neither Party shall be required to take any action:

- (l) that is not within the physical capabilities of the Party's Electric System (or any part of another party's Electric System that the applicable Party has the legal right to cause to comply with this Agreement);
- (m) that it believes in good faith will create serious and immediate risks to human health or safety; *provided, however*, that interruption of Transmission Service shall not in itself necessarily be deemed to create serious and immediate risks to human health or safety;
- (n) that it believes in good faith will create an immediate risk of serious damage to facilities or equipment within its Electric System or will cause it to operate any part of its Electric System in an unsafe manner;
- (o) that would violate any provision of the reliability criteria, standards, guidelines and operating procedures of NERC or the WSCC, any FERC licenses with which it is obligated to comply, any applicable Nuclear Regulatory Commission licenses or requirements, the terms of any applicable permits issued by a governmental authority, or any applicable governmental laws or regulations; or

- (p) that conflict with any non-power requirements with which the Party is obligated to comply (including without limitation any obligations under environmental laws, regulations, court and administrative orders, or biological opinions);

*provided, however,* that neither Party may not refuse to comply with any provision of this Agreement or the RTO West Transmission Tariff on the basis that to do so would cause that Party to violate contractual obligations to supply, transmit, or deliver firm power.

**6. RTO West's Obligations Concerning Operation of RTO West Controlled Transmission.** In operating the RTO West-Controlled Transmission, RTO West shall, at a minimum, comply with the criteria applicable to control area operators as specified in Annex A, Section III, Subsections A through E of the WSCC Reliability Criteria Agreement as in effect and filed with FERC as of July 1, 1999 (as modified by FERC Order issued \_\_\_\_\_, 2000). Nothing in this Section 6 shall require RTO West to become a signatory to, or to comply with, any other provisions of, the WSCC Reliability Criteria Agreement or any other provisions of the WSCC Reliability Management System, and specifically (without limitation), RTO West shall have no obligation under this Agreement to submit compliance data to the WSCC or to be subject to sanctions issued by the WSCC in connection with the WSCC Reliability Management System.

**7. RTO West Confidentiality Obligations.**

**7.1 Protection of Confidential Information.** RTO West shall maintain the confidentiality of all Confidential Information of the Generating Party provided to RTO West pursuant to this Agreement; *provided, however,* that RTO West shall be entitled to disclose such Confidential Information if: (1) RTO West determines that such Confidential Information must be disclosed to avert unplanned Transmission Service interruptions or to more speedily restore Transmission Service; or (2) RTO West is required to make such disclosure by administrative or judicial order.

**7.2 Disclosure Pursuant to Administrative or Judicial Order.** RTO West shall promptly, and in any event at the earliest practicable opportunity before any disclosure pursuant to administrative or judicial order, notify the Generating Party of any petition for or requirement by administrative or judicial order for RTO West to disclose Confidential Information of the Generating Party to any third party. The Generating Party may, in its sole discretion and at its sole cost and expense, undertake any challenge to such disclosure. RTO West shall reasonably cooperate with the Generating Party to minimize or eliminate any such disclosure requirement consistent with applicable law, and to obtain proprietary or confidential treatment of Confidential Information by any person to whom such information is disclosed pursuant to Section 7.1.

**8. Emergency Redispatch.**

**8.1 RTO West's Right to Direct Operation of Covered Generation Facilities.** Whenever there is a threatened or actual Transmission System Emergency, RTO West shall have the right, subject to the limitations set forth in Section 8.2 below, to direct the Generating Party

to operate any Covered Generation Facility in whatever manner is required to prevent a threatened Transmission System Emergency or to mitigate the extent, duration, or severity of an actual Transmission System Emergency.

## **8.2 Limitations on RTO West Rights and Generating Party Obligations Relating to Transmission System Emergencies.**

8.2.1 RTO West may exercise its rights under Section 8.1 above to direct operation of any Covered Generation Facility only to the extent that: (1) the action is required to prevent a threatened Transmission System Emergency or to mitigate the extent, duration, or severity of an actual Transmission System Emergency; and (2) there is insufficient time to prevent or mitigate the threatened or actual Transmission System Emergency through cooperative measures.

8.2.2 Except as specifically provided otherwise in Section 8.2.3 below, any obligation of the Generating Party to operate any Covered Generation Facility in accordance with RTO West's instructions in connection with a Transmission System Emergency shall be subject to: (1) Section 4.3 of this Agreement; and (2) RTO West's obligation to compensate the Generating Party in accordance with the provisions of *[refer to tariff section about re-dispatch compensation]*.

8.2.3 Notwithstanding any other provision of this Agreement, the Generating Party's obligation to comply with any instruction issued by RTO West to take a Covered Generation Facility off-line because of a threatened or actual Transmission System Emergency shall not be subject to the limitations specified in Section 4.3 of this Agreement. *[Note – there is an open question about whether RTO West should have to reimburse a Generating Party for any fines it might incur for deviating from biological opinion provisions or other non-power requirements if the Generating Party does not have the protection of Section 4.3 with respect to “take off-line” instructions.]*

**13. No Guarantee of Uninterrupted Transmission Service.** Nothing in this Agreement shall be construed to imply a guarantee by RTO West, to the Generating Party or any other person, of uninterrupted Transmission Service.

**15. Uncontrollable Force.** A Party shall not be in breach of this Agreement as a result of such Party's failure to perform its obligations under this Agreement when such failure is caused by an Uncontrollable Force which such Party, despite the exercise of due diligence, is unable to remove with reasonable dispatch; *provided, however*, that such Party shall have the right to suspend performance of such obligations only to the extent and for the duration that the Uncontrollable Force actually and reasonably prevents the performance of such obligations by such Party. In the event of the occurrence of an Uncontrollable Force that prevents a Party from performing any of its obligations under this Agreement, such Party shall: (1) immediately notify the other Party of such Uncontrollable Force with such notice to be confirmed in writing as soon as reasonably practicable; (2) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligations hereunder; (3) keep the other Party apprised of such efforts on an ongoing basis; and (4) provide written

notice of the resumption of performance hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the Party to this Agreement involved in such strike, lockout, or labor dispute and the requirement that a Party must use its best efforts to remedy the cause of the Uncontrollable Force or mitigate its effects and resume full performance hereunder shall not apply to strikes, lockouts, or labor disputes

## **17. Notices.**

17.1 **Permitted Methods of Notice.** Any notice, demand, or request required or permitted under this Agreement shall be in writing and shall be deemed properly served, given, or made to the address of the receiving Party set forth below: (1) upon delivery if delivered in person; (2) five days after deposit in the mail, if sent by first class United States or Canadian mail, postage prepaid; (3) upon receipt of confirmation by return electronic facsimile if sent by facsimile; or (4) upon delivery if delivered by prepaid commercial courier service.

The address of RTO West for notices shall be:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn:

Telecopy:

The address of the Generating Party for notices shall be as set forth in Section 10.1 of the Generation Integration Agreement between RTO West and the Generating Party.

17.2 **Change of Notices Address.** Either Party may at any time, by notice to the other Party in the manner set forth above, change the designation, address, or telecopy number of the person specified to receive notice on its behalf.

17.3 **Specific Provision Controls.** Notwithstanding the requirements of Section 17.1, where any provision of this Agreement requires a Party to furnish any particular data, information, or notice in a specific manner or within a specific time period, such provision shall control.

## **\*\*\*\*\* Definitions for RTO West Transmission Tariff Provisions\*\*\*\*\***

**“Confidential Information”** means any documents, data or other information received by RTO West, whether in written, oral or machine readable form, which the provider has identified in writing to be confidential, *provided* that Confidential Information shall not include (1) any information required to be disclosed pursuant to any provision of the RTO West Transmission Tariff, whether by way of RTO West’s Open-Access Same-Time Information System or otherwise; (2) information that becomes available to the public on a non-confidential

basis, other than as a result of RTO West's breach of its confidentiality obligations;  
(3) information received by RTO West from a third party without claim of confidentiality; or  
(4) information independently developed by RTO West.

**“Transmission System Emergency”** means an urgent event or condition affecting the RTO West Transmission System that, in the determination of RTO West, has resulted in or creates an impending threat of one or more of the following:

- (a) serious injury to human health or safety (*provided, however*, that interruption of transmission service to any load that RTO West or any other party has a firm obligation to serve shall not in itself necessarily be deemed to create a serious and impending threat of injury to human health or safety); or
- (b) serious physical damage to elements of the RTO West Transmission System or any Electric System interconnected with the RTO West Transmission System; or
- (c) unintended interruption(s) of transmission service across one or more major transfer paths: (i) within the RTO West Transmission System or (ii) within any other transmission system that is directly or indirectly interconnected with the RTO West Transmission System; or
- (d) deviation(s) in frequency or voltage that, if uncorrected, will lead to the loss (by operation of protective relay equipment) of critical elements of the RTO West Transmission System or of any other transmission system that is directly or indirectly interconnected with the RTO West Transmission System.

**“Uncontrollable Force”** means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, earthquake, explosion, accident to or breakage, failure or malfunction of machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities (other than the Generating Party, if the Generating Party is a federal power marketing administration, municipal corporation, or other federal or state governmental entity or subdivision thereof), or any other cause beyond a Party's reasonable control and to the extent without such Party's fault or negligence.

## **Attachment 9**

### **9/6/00 Draft Load Integration Agreement (LIA/GIA Legal Subgroup – Dennison/Leonard)**

RTO WEST LOAD INTEGRATION AGREEMENT



## TABLE OF CONTENTS

*[To be added]*

## RTO WEST LOAD INTEGRATION AGREEMENT

THIS RTO WEST LOAD INTEGRATION AGREEMENT (this “Agreement”) is made and entered into effective as of \_\_\_\_\_, by and between RTO West, a \_\_\_\_\_ nonprofit corporation (“RTO West”), and \_\_\_\_\_, a \_\_\_\_\_ (the “Interconnecting Party”) (RTO West and the Interconnecting Party are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties”).

### RECITALS

WHEREAS, RTO West is a regional transmission organization that has been approved by FERC and that provides electrical transmission services throughout a multi-state region; and

WHEREAS, RTO West is responsible for providing such services in a reliable manner consistent with Good Utility Practice, applicable NERC and WSCC operating criteria and applicable requirements of regulatory agencies with authority over such operations; and

WHEREAS, the Interconnecting Party currently has Facilities interconnected with the RTO West Transmission System, or desires to interconnect Facilities with the RTO West Transmission System; and

WHEREAS, this Agreement establishes various requirements for the operation of the Facilities interconnected with the RTO West Transmission System and the Facilities that may be interconnected with the RTO West Transmission System by radial load taps or aggregated by appropriate boundary metering as set forth in this Agreement; and

WHEREAS, such requirements are established to provide for reliable operation of such interconnections, the RTO West Transmission System and the Facilities.

NOW, THEREFORE, in consideration of the mutual benefits to the Parties and the benefits set forth in the recitals above, the Parties agree as follows:

### **AGREEMENT**

1. **Definitions.** For purposes of this Agreement, capitalized terms not defined elsewhere in this Agreement shall have the definitions specified in Exhibit A.

2. **Effective Date; Term and Termination.**

**2.1. Effective Date.** This Agreement shall become effective upon its acceptance for filing or approval by FERC, without change unacceptable to either Party. If FERC’s acceptance for filing or approval of this Agreement is, as a result of rehearing or judicial review thereof, subsequently revised or modified in a manner unacceptable to either Party, this Agreement shall be deemed void ab initio. Any such revision or modification of this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within 30 days of

issuance of the applicable FERC action or judicial order that such action or order is unacceptable.

**2.2. Termination.** This Agreement shall terminate (1) upon termination of all agreements between RTO West and the Interconnecting Party for the provision of Transmission Service, if the Interconnecting Party has not executed a Transmission Control Agreement; or (2) upon mutual written agreement of the Parties. In addition, this Agreement shall cease to be applicable to any Covered Facilities upon termination of the RTO West Transmission Control Agreement between RTO West and the owner (whether or not such owner is the Interconnecting Party) of the RTO West Transmission System facilities with which such Covered Facilities are physically interconnected.

**3. Applicable RTO West Tariff Provisions.** The provisions of RTO West's Transmission Tariff listed below shall apply to the operation of all Covered Facilities. Each Party agrees to comply with all applicable provisions of the RTO West Transmission Tariff.

**3.1. Operating and Interconnection Standards.**

**3.1.1. General Compliance Obligation.** Except to the extent that an exemption applies under Section 3.1.2 below and subject to the provisions of Section 5 below, each Covered Facility shall comply at all times with the ["technical" requirements specified in applicable sections of the RTO West tariff (*to be developed by the technical requirements team*)];

**3.1.2. Exemption Procedures.** With respect to any Covered Facility that was in operation before the Transmission Service Commencement Date, the Interconnecting Party may, within 60 days of the effective date of this Agreement, notify RTO West that, because of the configuration, location, or operational characteristics of the Covered Facility, the Interconnecting Party is unable to comply with one or more of the applicable provisions of this Agreement and the RTO West Transmission Tariff. Upon RTO West's receipt of notice from the Interconnecting Party under this Section 3.1.2, the Covered Facility shall be excused from compliance with this Agreement, *subject to* the following limitations and obligations:

- (g) each Covered Facility identified in the Interconnecting Party's notice shall be excused only with respect to the particular operating and interconnection standards with which the Covered Facility is unable to comply because of limitations caused by its configuration, location, or operational characteristics, and only to the extent of those limitations;
- (h) the Interconnecting Party shall make commercially reasonable efforts to modify any non-complying Covered Facility as soon as feasible within the course of performing routine maintenance and upgrades so that it fully complies with all provisions of this Agreement and applicable provisions of the RTO West Transmission Tariff, but in any case the Interconnecting Party shall cause all Covered Facilities to fully comply with all provisions of this Agreement and all applicable provisions of the RTO West Transmission Tariff no later than three years after the effective date of this Agreement; and

- (i) if RTO West disputes the validity of any claim of inability to comply contained in the Interconnecting Party's notice to RTO West under this Section 3.1.2, any disputed issues shall be resolved as specified in Section 3.4 below and the application of any affected provisions of this Agreement and the RTO West Transmission Tariff shall be suspended until the dispute is resolved.

**3.2. Maintenance Scheduling.** Maintenance scheduling with respect all Covered Facilities shall be as specified in *[include specific section or appendix reference?]* the RTO West Transmission Tariff.

**3.3. Billing and Payment.** Billing and payment under this Agreement shall be as specified in *[include specific section or appendix reference?]* the RTO West Transmission Tariff.

**3.4. Disputes.** Any dispute between the Parties arising under this Agreement shall be resolved in accordance with the dispute resolution provisions specified in *[include specific section or appendix reference?]* the RTO West Transmission Tariff.

**3.6. Notice Procedures.** The delivery of notices under this Agreement shall be in accordance with the provisions of *[include specific section or appendix reference?]* the RTO West Transmission Tariff, subject to Section 9.2 of this Agreement.

**3.7. Uncontrollable Force.** The Parties' rights and obligations with respect to the occurrence of an Uncontrollable Force, as well as the definition of "Uncontrollable Force" shall be in accordance with the provisions of *[include specific section or appendix reference?]* the RTO West Transmission Tariff.

#### **4. Interconnections; Metering System Locations; Interconnected Generation Facilities.**

**4.1. Identification of Points of Interconnection.** Exhibit B to this Agreement lists each and all of the Points of Interconnection between the Covered Facilities and the RTO West Transmission System (including the locations thereof), and all associated equipment. The Parties shall amend Exhibit B as necessary or appropriate to reflect additions to or modifications of any Points of Interconnection or any such equipment. Upon any request by RTO West, the Interconnecting Party shall make available to RTO West corresponding maps and single-line diagrams of any or all Points of Interconnection or associated equipment listed on Exhibit B.

**4.2. Location of Metering Systems.** The Parties shall specify in Exhibit C to this Agreement the locations of all metering systems required to satisfy the requirements of this Agreement, and any necessary adjustment factors if the location of any metering system is not at the Point of Interconnection. The Parties agree to keep such information current and to advise each other of any additions or modifications to the metering systems as such additions or modifications occur. The Parties further agree to amend Exhibit C as necessary or appropriate to reflect such additions or modifications.

#### **4.3. Interconnected Generation Facilities.**

**4.3.1. Delivery of Written Request.** Within 60 days after the effective date of this Agreement, the Interconnecting Party shall deliver a written request (as described in Section 4.3.2) below to any third party that operates or controls any Generation Facility that is directly interconnected with any Covered Facilities if the third party that operates or controls the Generating Facility is not a party to an RTO West Generation Integration Agreement and is not a party to a valid, Pre-existing Generation Agreement (as that term is defined under the RTO West Generation Integration Agreement).

**4.3.2. Contents of Written Request.** Each written request the Interconnecting Party delivers in accordance with Section 4.3.1 above shall request that the party that operates or controls the applicable Generation Facility agree in writing (either with RTO West or the Interconnecting Party) that it shall not operate the Generation Facility in a manner that adversely affects the operation of the RTO West Transmission System.

**5. Limits on Parties' Obligations Under Agreement and Applicable Tariff Provisions.**

In carrying out the requirements of this Agreement and applicable provisions of the RTO West Transmission Tariff, neither Party shall be required to take any action:

- (q) that is not within the physical capabilities of the Party's Electric System (or any part of another party's Electric System that the applicable Party has the legal right to cause to comply with this Agreement);
- (r) that it believes in good faith will create serious and immediate risks to human health or safety; *provided, however*, that interruption of Transmission Service shall not in itself necessarily be deemed to create serious and immediate risks to human health or safety;
- (s) that it believes in good faith will create an immediate risk of serious damage to facilities or equipment within its Electric System or will cause it to operate any part of its Electric System in an unsafe manner; or
- (t) that would violate any provision of the reliability criteria, standards, guidelines and operating procedures of NERC or the WSCC, the terms of any applicable permits issued by a governmental authority, or any applicable governmental laws or regulations;

*provided, however*, that neither Party may not refuse to comply with any provision of this Agreement or the RTO West Transmission Tariff on the basis that to do so would cause that Party to violate contractual obligations to supply, transmit, or deliver firm power.

[*NOTE: Does this provision work when the Interconnecting Party is not a distribution company, but instead an end-use customer connected directly to the grid at high voltage (and specifically the use of the term "Electric System")?*]

**6. Most Favored Nation Option.** If a new RTO West Load Integration Agreement or an amendment to an existing RTO West Load Integration Agreement contains terms that differ from the provisions contained in this Agreement, other than as necessary to accommodate

technical differences or legal requirements that apply to the interconnecting party executing such new or amended RTO West Load Integration Agreement but not to the Interconnecting Party, RTO West agrees to amend this Agreement at the Interconnecting Party's request to incorporate terms that are comparably favorable to such differing terms.

**[7. Insurance and Limitations of Liability -- Interconnected System Operation.** *Note: All provisions concerning liability and insurance are to be in accordance with the final proposals developed by the Liability and Insurance Subgroup, which is coordinated by Gary Dahlke.)]*

## **8. Assignments and Conveyances.**

**8.1. Assignment of RTO West's Rights and Obligations.** Except as otherwise provided in Section 8.4, RTO West shall not, without the prior written consent of the Interconnecting Party, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law.

**8.2. Assignment of the Interconnecting Party's Rights and Obligations.** Except as otherwise provided in Section 8.4, the Interconnecting Party shall not, without the prior written consent of RTO West, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law; *provided, however*, that the Interconnecting Party may, without the consent of RTO West, assign its rights and obligations under this Agreement to any person or entity (1) with which the Interconnecting Party is merged or consolidated, or (2) to which the Interconnecting Party sells, transfers, or assigns all or substantially all of the Covered Facilities subject to this Agreement, so long as the survivor in any such merger or consolidation, or the purchaser, transferee or assignee of such Covered Facilities provides to RTO West a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Interconnecting Party under this Agreement.

**8.3. Transfer of Rights Affecting Covered Facilities.** Unless otherwise approved by RTO West in writing, the Interconnecting Party shall not sell, transfer or assign any rights that affect the Interconnecting Party's ability to perform its obligations under this Agreement with respect to any Covered Facilities unless (1) the purchaser, transferee or assignee of such rights provides to RTO West a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Interconnecting Party under this Agreement with respect to the Covered Facilities, or (2) RTO West and the transferee have entered an agreement comparable to this Agreement with respect to the Covered Facilities.

**8.4. Assignment for Security Purposes.** Notwithstanding any other provision of this Agreement, (1) the Interconnecting Party may, without RTO West's consent, pledge or assign all or any portion of its Electric System for financing purposes, and (2) RTO West may, without the Interconnecting Party's consent, pledge or assign, for financing purposes, all or any portion of its rights or interests with respect to the RTO West Transmission System.

**8.5. Effect of Permitted Assignment.** In the event of any permitted sale, transfer or assignment hereunder, the transferor or assignor shall to the extent of the transferred or assigned

obligations, and only to such extent, be relieved of obligations accruing from and after the effective date of such transfer or assignment; *provided, however*, that under no circumstances shall any sale, transfer or assignment relieve the transferor or assignor of any liability for any breach of this Agreement occurring before the effective date of such transfer or assignment.

**8.6. Successors and Assigns.** This Agreement is binding on and shall inure to the benefit of the Parties and their respective successors, permitted assigns and legal representatives.

**8.7. Consent May Not Be Unreasonably Denied or Delayed.** Neither Party shall unreasonably deny or delay consents to assignment, pledge or transfer requested pursuant to this Section 8.

**9. Notices.**

**9.1. Address for Notices to the Interconnecting Party.** The address of the Interconnecting Party for notices under this Agreement and all applicable provisions of the RTO West Transmission Tariff shall be:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn:

Telecopy:

**9.2. Specific Provision Controls.** Notwithstanding the requirements of [*insert reference to applicable section of RTO tariff?*] the RTO West Transmission Tariff, where any provision of this Agreement or applicable provisions of the RTO West Transmission Tariff require a Party to furnish any particular data, information, or notice in a specific manner or within a specific time period, such provision shall control.

[**NOTE:** *All provisions below will be coordinated with the TCA and the GIA so that parallel provisions in each of the TOA, LIA, and GIA will be consistent.*]

**10. Amendments.** This Agreement may not be modified by either Party except by subsequent mutual written agreement duly executed by the Parties.

**11. Construction of Agreement.** Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in a manner that most accurately reflects the purpose of this Agreement and the nature of the rights and obligations of the Parties with respect to the matter being construed.

**12. Integration.** This Agreement, including the exhibits hereto, constitute the complete agreement of the Parties with respect to the subject matter hereof, and all prior or contemporaneous representations, statements, negotiations, understandings and inducements are fully merged and incorporated in this Agreement.

**13. Preservation of Obligations.** Upon termination of this Agreement, all unsatisfied obligations of each Party shall be preserved until satisfied.

**14. Existing Agreements Preserved.** Nothing in this Agreement shall be interpreted to supercede the rights or obligations of any party under any existing agreement unless otherwise expressly stated herein.

**15. Governing Law.** Except as provided in Section 15.4 below, this Agreement shall in all respects be interpreted, construed and enforced according to location of the principal office of the Party whose alleged obligations are to be enforced (without reference to rules governing conflicts of laws).

**15.1. Application of State Law.** If the principal office of the Party whose alleged obligations are to be enforced is located in a state within the United States (and Section 15.3 does not apply), the laws of that state shall govern except to the extent that such laws may be preempted by the laws of the United States of America.

**15.2. Application of Provincial Law.** If the principal office of the Party whose alleged obligations are to be enforced is located in a province of Canada (and Section 15.3 does not apply), the laws of that province shall govern except to the extent that such laws may be preempted by the laws of Canada.

**15.3. Application of Tribal Law.** If the principal office of the Party whose alleged obligations are to be enforced is located on tribal lands belonging to a sovereign tribe that exercises regulatory jurisdiction over any facilities or Party subject to this Agreement, the applicable tribal laws shall govern except to the extent that such laws may be preempted by the laws of the United States of America.

**15.4. Law Applicable to Federal Interconnecting Parties.** Notwithstanding the provisions of Sections 15.1 through 15.3 above, if the Interconnecting Party is a United States government entity (including but not limited to a federal power marketing administration), this Agreement shall in all respects be interpreted, construed, and enforced in accordance with the laws of the United States.

**16. Severability.** The rights of each Party shall be as set forth in Section 2.1 if this Agreement is (1) not accepted for filing or approved by FERC, (2) accepted for filing or approved by FERC with changes unacceptable to either Party, or (3) accepted for filing or approved by FERC, but such acceptance or approval is, as a result of judicial review, subsequently reversed or modified in a manner unacceptable to either Party. If this Agreement is not rendered void in accordance with the provisions of Section 2.1, and thereafter any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent not prohibited by law, and all other terms,



covenants, and conditions of this Agreement, and the application thereof, shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

**17. Singular and Plural; Use of “Or.”** Whenever in this Agreement the context so suggests, references to the singular shall be deemed to include the plural, and references to “or” shall be deemed to be disjunctive but not necessarily exclusive.

**18. Headings for Convenience Only.** The section headings in this Agreement are intended for convenience and reference only, and are not intended to define, limit, or describe the scope or intent of any provisions of this Agreement.

**19. Relationship of the Parties.**

**19.1. No Partnership, Etc.** Nothing contained herein shall be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either or both of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement.

**19.2. Rights Several.** All rights of the Parties are several, not joint. Except as expressly provided in this Agreement, no Party shall have a right or power to bind another Party without such Party's express written consent.

**20. No Third Party Beneficiaries.** This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation or undertaking established herein.

**21. No Dedication of Facilities.** No undertaking by either Party to the other Party under or pursuant to any provision of this Agreement shall constitute or be deemed to constitute a dedication of all or any portion of the RTO West Transmission System to the public or to the Interconnecting Party or a dedication of all or any portion of the Interconnecting Party's Electric System to the public or to RTO West.

**22. Waiver Provisions.**

**22.1. No Implied Waivers.** Any waiver at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any other default or other matter arising in connection with this Agreement. Any waiver must be delivered in writing, executed by an authorized representative of the Party granting such waiver. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.

**22.2. RTO West Waiver Through Tariff Provision.** RTO West, may, at any time, waive any obligation of the Interconnecting Party under this Agreement (together with identical obligations under all other Load Integration Agreements) through language incorporated into the RTO West Transmission Tariff (and accepted by FERC) that explicitly provides for waiver of one or more Interconnecting Party obligations under this Agreement and all other Load Integration Agreements.

**23. Exhibits Incorporated.** The exhibits to this Agreement, as they may be amended or revised from time to time, are attached to this Agreement and are incorporated by reference as if herein fully set forth.

**24. Further Actions and Documents.** Each Party agrees to do all things, including but not limited to the preparation, execution, delivery, filing and recording of any instruments or agreements, reasonably requested by the other Party to carry out the provisions of this Agreement.

**25. Counterparts.** This Agreement may be executed in one or more counterparts, which may be executed at different times. Each counterpart shall constitute an original but all counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed effective as of the date first set forth above.

RTO WEST

INTERCONNECTION PARTY

By:\_\_\_\_\_

By:\_\_\_\_\_

Its:\_\_\_\_\_

Its:\_\_\_\_\_

## EXHIBIT A

### DEFINITIONS

**“Covered Facility”** means any Facility subject to the provisions of this Agreement in accordance with the following provisions:

- (c) with respect to any Interconnecting Party that is also a Participating Transmission Owner (as that term is defined under the RTO West Transmission Operating Agreement), a “Covered Facility” is any Facility with respect to which the Interconnecting Party has operational control;
- (d) with respect to any Interconnecting Party that is not a Participating Transmission Owner, a “Covered Facility” is any Facility with respect to which the Interconnecting Party has operational control and that:
  - (i) is required under Appendix [J] of the RTO West Transmission Tariff to be subject to a Load Integration Agreement because (x) energy or Ancillary Services (as the latter two terms are defined [*refer to applicable section or appendices*] of the RTO West Transmission Tariff) are scheduled to the Facility from the RTO West Transmission System and (y) the party that controls or operates the Facility does not have a valid, Pre-existing Interconnection Agreement with a Participating Transmission; or
  - (ii) the Interconnecting Party has voluntarily agreed to make subject to a Load Agreement at the request of a Participating Transmission Owner, or at the Interconnecting Party’s election because of the Interconnecting Party’s recognition of the potential for the Facility to adversely affect the RTO West Transmission System; or
  - (iii) is required pursuant to law, regulation, or other applicable authority having jurisdiction in the matter to be made subject to a Load Integration Agreement.

**“Electric System”** means a single integrated electric power grid usually characterized by ownership, rental, lease, control or operation by a single person or entity. An “Electric System” consists of electric distribution facilities or generating facilities or transmission facilities, or any combination of the three, and includes transmission lines, distribution lines, substations, switching stations, generating plants and all associated equipment for generating, transmitting, distributing or controlling flow of power. The term “Electric System” shall include any devices or equipment by which information is originated on an electric system or by the person operating such system, by which such information is transmitted, and by which such information is received either for information or for operation of the system, whether by the originating system or by another system.

**“Facilities”** means the electric transmission and distribution equipment the operation or maintenance of which is controlled by the Interconnecting Party and which is not a part of the RTO West Transmission System but which is physically interconnected with the RTO West Transmission System.

**“FERC”** means the Federal Energy Regulatory Commission, or any successor thereto.

**“Generation Facility”** means any facility used for the generation of electricity for sale at wholesale or retail.

**“Good Utility Practice”** means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the WSCC Interconnection.

*[Note: This definition is currently used only in the second Recital of the LIA. We may want to revisit whether we need it in the recital and if so, whether we should revisit the definition of Control Area.]*

**“Interconnection Facilities”** means those facilities operated by RTO West or the Interconnecting Party required for the operation of one or more Points of Interconnection.

**“NERC”** means the North American Electric Reliability Council or its successor organization.

**“Point(s) of Interconnection”** means a point of change in operational control between any Covered Facilities and the RTO West Transmission System.

**“Pre-existing Interconnection Agreement”** means any agreement to which the Interconnecting Party is a party that is in effect as of the effective date of this Agreement and that relates to the ownership or operation of a Facility and that provides for the transfer of power to the Facility across some part of the facilities that, as of the Transmission Service Commencement Date, constitute the RTO West Transmission System.

**“RTO West Controlled Transmission”** means the collective facilities and equipment specified on Exhibit D all RTO West Transmission Operating Agreements, taken together.

**“RTO West Transmission Operating Agreement”** means the form of RTO West agreement by which owners of portions of RTO West Controlled Transmission have transferred operational control of such transmission facilities to RTO West.

**“RTO West Transmission System”** means the collective “Transmission Facilities” as defined under all the RTO West Transmission Operating Agreements, taken together.

**“RTO West Transmission Tariff”** means the tariff for the provision of Transmission Service by RTO West, including all appendices and schedules, as accepted for filing or approved by FERC.

**“Transmission Services”** has the meaning specified in the RTO West Transmission Tariff.

**“Transmission Service Commencement Date”** means the date that RTO West commences its provision of Transmission Service and Operational Control over the RTO West Transmission System, pursuant to the provisions of the RTO West Transmission Operating Agreement

**“WSCC”** means the Western Systems Coordinating Council or its successor organization.

**“WSCC Interconnection”** is the WSCC geographic region as defined by NERC. *[Note: This definition is currently used only in the definition of “Good Utility Practice.” If we don’t use the term “Good Utility Practice” we won’t need this definition either.]*

**EXHIBIT B**

INTERCONNECTION AND REACTIVE POWER EQUIPMENT AND LOCATION

**EXHIBIT C**

METERING LOCATIONS

**EXHIBIT D**

LOAD SHEDDING ARRANGEMENTS

*[Note – The LIA currently has no references to this exhibit.]*



**EXHIBIT E**

SPECIAL ARRANGEMENTS

**EXHIBIT G**

OPERATING REPRESENTATIVES

## **Attachment 10**

### **Comparison of Draft GIA and LIA (Wallis – 2/27/01)**

## Attachment 11

### Stage 1 Draft Load Tariff Provisions (LIA/GIA Legal Subgroup-Dennison/Leonard – 9/6/00)

#### PROVISIONS OF RTO WEST LOAD INTEGRATION AGREEMENT TO BE INCLUDED IN RTO WEST TARIFF PROVISIONS

*[General Note: I have left the numbering for all provisions shifted over from the LIA into this section as it was in the original LIA to help everyone keep track of the provisions' origin. I have also refrained from modifying the language to make it read as if it were part of the tariff, because to the extent we change the provisions at all, the effort might be superfluous -SDL]*

*[Placeholder Note: the consensus of the GIA Subgroup when the structure of the LIA was discussed was that the LIA should be organized into three sections: those provisions that apply to all Interconnecting Parties in all cases, those that apply to Interconnecting Parties that are distribution companies, and those that apply to Interconnecting Parties that are end users directly connected to the transmission grid at high voltage. I am assuming that the technical team will address this divisions of terms as it develops the technical standards for the Load Integration Agreement.]*

**5. Limits on Parties' Obligations Under Agreement and Applicable Tariff Provisions.** In carrying out the requirements of this Agreement and applicable provisions of the RTO West Transmission Tariff, neither Party shall be required to take any action:

- (u) that is not within the physical capabilities of the Party's Electric System (or any part of another party's Electric System that the applicable Party has the legal right to cause to comply with this Agreement);
- (v) that it believes in good faith will create serious and immediate risks to human health or safety; *provided, however,* that interruption of Transmission Service shall not in itself necessarily be deemed to create serious and immediate risks to human health or safety;
- (w) that it believes in good faith will create an immediate risk of serious damage to facilities or equipment within its Electric System or will cause it to operate any part of its Electric System in an unsafe manner; or
- (x) that would violate any provision of the reliability criteria, standards, guidelines and operating procedures of NERC or the WSCC, the terms of any applicable permits issued by a governmental authority, or any applicable governmental laws or regulations;

*provided, however, that neither Party may not refuse to comply with any provision of this Agreement or the RTO West Transmission Tariff on the basis that to do so would cause that Party to violate contractual obligations to supply, transmit, or deliver firm power.*

*[NOTE: Does this provision work when the Interconnecting Party is not a distribution company, but instead an end-use customer connected directly to the grid at high voltage (and specifically the use of the term “Electric System”)?]*

**5.8. Opening of Interconnection Facilities.** The Interconnecting Party shall have the unilateral right to open Interconnection Facilities in the event of, and for the duration of, any emergency on its Electric System, if such separation would reasonably be expected to mitigate or remedy the emergency. The Interconnecting Party shall promptly notify RTO West of any such opening of Interconnection Facilities, unless such information has already been provided to RTO West by automatic data transfer. During any emergency on its Electric System, RTO West shall have the right to open, or order opened, any Interconnection Facility in accordance with Good Utility Practice. *[Note: If we keep this provision as written we will need to have a definition of “Good Utility Practice” in the tariff and also a definition of “Interconnection Facilities.”]*

## **6. RTO West Confidentiality Obligations.**

**6.1. Protection of Confidential Information.** RTO West shall maintain the confidentiality of all Confidential Information of the Interconnecting Party provided to RTO West pursuant to this Agreement; *provided, however,* that RTO West shall be entitled to disclose such Confidential Information if: (1) RTO West determines that such Confidential Information must be disclosed to avert unplanned Transmission Service interruptions or to more speedily restore Transmission Service; or (2) RTO West is required to make such disclosure by administrative or judicial order.

**6.2. Disclosure Pursuant to Administrative or Judicial Order.** RTO West shall promptly, and in any event at the earliest practicable opportunity before any disclosure pursuant to administrative or judicial order, notify the Interconnecting Party of any petition for or requirement by administrative or judicial order for RTO West to disclose Confidential Information of the Interconnecting Party to any third party. The Interconnecting Party may, in its sole discretion and at its sole cost and expense, undertake any challenge to such disclosure. RTO West shall reasonably cooperate with the Interconnecting Party to minimize or eliminate any such disclosure requirement consistent with applicable law, and to obtain proprietary or confidential treatment of Confidential Information by any person to whom such information is disclosed pursuant to Section 6.1.

**11. No Guarantee of Uninterrupted Transmission Service or Continuous Supply of Electrical Power or Energy.** Nothing in this Agreement shall be construed to imply a guarantee by RTO West of uninterrupted Transmission Service or a continuous supply of electrical power or energy.

**13. Uncontrollable Force.** A Party shall not be in breach of this Agreement as a result of such Party's failure to perform its obligations under this Agreement when such failure is caused by an Uncontrollable Force which such Party, despite the exercise of due diligence, is unable to remove with reasonable dispatch; *provided, however*, that such Party shall have the right to suspend performance of such obligations only to the extent and for the duration that the Uncontrollable Force actually and reasonably prevents the performance of such obligations by such Party. In the event of the occurrence of an Uncontrollable Force that prevents a Party from performing any of its obligations under this Agreement, such Party shall: (1) immediately notify the other Party of such Uncontrollable Force with such notice to be confirmed in writing as soon as reasonably practicable; (2) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligations hereunder; (3) keep the other Party apprised of such efforts on an ongoing basis; and (4) provide written notice of the resumption of performance hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the Party to this Agreement involved in such strike, lockout, or labor dispute and the requirement that a Party must use its best efforts to remedy the cause of the Uncontrollable Force or mitigate its effects and resume full performance hereunder shall not apply to strikes, lockouts, or labor disputes.

**15. Notices.**

**15.1. Permitted Methods of Notice.** Any notice, demand, or request required or permitted under this Agreement shall be in writing and shall be deemed properly served, given, or made to the address of the receiving Party set forth below: (1) upon delivery if delivered in person; (2) five days after deposit in the mail, if sent by first class United States or Canadian mail, postage prepaid; (3) upon receipt of confirmation by return electronic facsimile if sent by facsimile; or (4) upon delivery if delivered by prepaid commercial courier service.

The address of RTO West for notices shall be:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn:

Telecopy:

The address of the Interconnecting Party for notices shall be as set forth in Section 9.1 of the Load Integration Agreement between RTO West and the Interconnecting Party.

**15.2. Change of Notices Address.** Either Party may at any time, by notice to the other Party in the manner set forth above, change the designation, address, or telecopy number of the person specified to receive notice on its behalf.

**15.3 Specific Provision Controls.** Notwithstanding the requirements of Section 15.1, where any provision of this Agreement requires a Party to furnish any particular data, information, or notice in a specific manner or within a specific time period, such provision shall control.

**\*\*\*\*\* Definitions for RTO West Transmission Tariff Provisions\*\*\*\*\***

**“Confidential Information”** means any documents, data or other information received by RTO West, whether in written, oral or machine readable form, which the provider has identified in writing to be confidential, *provided* that Confidential Information shall not include (1) any information required to be disclosed pursuant to any provision of the RTO West Transmission Tariff, whether by way of RTO West’s Open-Access Same-Time Information System or otherwise; (2) information that becomes available to the public on a non-confidential basis, other than as a result of RTO West’s breach of its confidentiality obligations; (3) information received by RTO West from a third party without claim of confidentiality; or (4) information independently developed by RTO West.

**“Uncontrollable Force”** means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, earthquake, explosion, accident to or breakage, failure or malfunction of machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities (other than the Interconnecting Party, if the Interconnecting Party is a federal power marketing administration, municipal corporation, or other federal or state governmental entity or subdivision thereof), or any other cause beyond a Party’s reasonable control and to the extent without such Party’s fault or negligence.